

**OVER 60 YEARS OF  
SURFACE INNOVATIONS**

**ANNUAL REPORT 2020-21**

## FINANCIAL HIGHLIGHTS

### Gross Revenue

**66,941**

2020-21

CAGR  
**5.46%**

### Profit After Tax

**6,963**

2020-21

CAGR  
**12.27%**

### Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)

**11,554**

2020-21

CAGR  
**7.51%**

### Debt-To-Equity Ratio (D/E)

**0.04**

2020-21

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**TRUST THE LEADER IN SURFACE FINISHING**

## CHAIRMAN'S MESSAGE



“Bringing communities together with innovation and technology is the way to creating a sustainable future”

**Mr. Umeshkumar More**  
Chairman



## MESSAGE FROM THE MANAGING DIRECTOR



### Mr. Niraj More - Managing Director

Dear Shareholders,  
I hope this message finds you and your families safe and in good health. It's been a year since Covid-19 was officially declared a pandemic. The pandemic has produced not only humanitarian crisis unlike anything ever seen before, with sudden and dramatic disruption but has also affected the performance across almost all industries and markets in first 6 months of FY 2020-21. During this period, production around the world took a nosedive. For industry, and

therefore for your Company too, the restrictions associated with the pandemic posed an enormous challenge. Slump in the automotive sector further compounded the problems of the Company. However, later part of the year witnessed quick and strong rebound across all business segments except Shoppertainment resulting in just a marginal de-growth of net revenues of -1.5% for FY 20-21 over corresponding previous year. Your Company responded effectively and aggressively to meet this challenging environment with adoption of a **4 STEP-ACTION STRATEGY**.

## MESSAGE FROM THE MANAGING DIRECTOR

### 4 STEP ACTION PLAN



#### PROTECT EMPLOYEES

High work place safety  
work from home.



#### DEFEND THE FINANCIALS

Close monitoring on  
costs, inventory  
and debtors.



#### SAFEGUARD SUPPLY CHAIN

Identify alternate supply  
source or substitution  
opportunities for stocks.



#### FORTIFY INFRASTRUCTURE

Using collaborative tools  
& strengthening security  
protocols while working  
from home & office.



As a part of this 4-step action plan, your Company reacted promptly and decisively to start the operations at different production sites in line with applicable government guidelines to ensure timely deliveries without compromising on safety protocols. Our teams at all locations demonstrated remarkable solidarity and worked tirelessly to meet needs of customers - whether working from home or in plants.

All these efforts finally resulted in a growth of 6.7% in its earnings before interest, depreciation and tax (EBITDA) in FY 20-21 over corresponding previous year. Company also reported a PAT of Rs. 69.63 cr. which has dropped marginally from corresponding previous year.

Our key business strength continues to be our strong balance-sheet despite challenging business environment. Even during pandemic, we continued to protect our business fundamentals and invested nearly Rs. 18 cr. in various business projects while maintaining no long-term debt position.

Being a conscientious group, we continue to take part in various philanthropic activities to better the lives of the less fortunate. Under the Growel's CSR umbrella, we provide

infrastructure, health & family care and contribute generously to social causes to promote community welfare. During the pandemic, we stood firm behind the government initiatives by contributing with our might to the PM CARES Fund and Gujarat Chief Minister Relief Fund.

The coronavirus vaccination drive undertaken by the present Government make us optimistic about FY 21-22.

Your Company will continue to focus on transforming challenges into opportunities and will go-ahead with its capital expenditure plan for setting up a world class tech-centre besides increasing its production capacities in paints by 30,000 KL/pa. Our endeavour is to ensure that our customers are always the central focus of all our activities. Together with our customers and spirited Growel team, I am sure that your Company will work passionately to create long-term profitable growth path. I appreciate your support, as we pursue this goal and thank you for your trust in Growel.

## BOARD OF DIRECTORS

### BOARD OF DIRECTORS



Chairman  
**UMESHKUMAR MORE**



Managing Director  
**NIRAJKUMAR MORE**



CEO & Whole-time Director  
**VINOD HARITWAL**  
(Whole-time Director -  
up to 30-06-2021)



Whole-time Director  
**ROHITKUMAR MORE**



Whole-time Director  
**YOGESH SAMAT**  
(Director - Operations: w.e.f. 01-07-2021;  
COO - upto 30-06-2021)

### INDEPENDENT DIRECTORS



**SURESH PAREEK**



**TARUN KUMAR GOVIL**



**DR. PRERNA GORADIA**  
(w.e.f. 29-07-2020)



**SHASHIKANT SAKHALKAR**  
(w.e.f. 11-02-2021)



**AARTI SHAH**  
(upto 11-02-2021)

## COMMITTEES

### COMMITTEES OF THE BOARD

#### Audit Committee

Suresh Pareek  
(Chairman)

Nirajkumar More  
(Member)

Tarun Kumar Govil  
(Member)

Aarti Shah  
(Member)  
(upto 11-02-2021)

#### Risk Management Committee (w.e.f. 01-07-2021)

Nirajkumar More  
(Chairman)

Yogesh Samat  
(Member)

Suresh Pareek  
(Member)

#### Nomination & Remuneration Committee

Dr. Prerna Goradia  
Chairperson (w.e.f 11-02-2021)

Tarun Kumar Govil  
(Member)

Umeshkumar More  
(Member)

Suresh Pareek  
(Member)

#### CSR Committee

Nirajkumar More  
(Chairman)

Tarun Kumar Govil  
(Member)

Vinod Haritwal  
(Member)  
(up to 30-06-2021)

Yogesh Samat  
(Member)  
(w.e.f. 01-07-2021)

#### Stakeholders Relationship Committee

Tarun Kumar Govil  
(Chairman)

Nirajkumar More  
(Member)

Vinod Haritwal  
(Member) (up to 30-06-2021)

Yogesh Samat  
(Member) (W.e.f. 01-07-2021)

Dr. Prerna Goradia  
(Chairperson)  
(from 12-11-2020  
to 11-02-2021)

### MANAGEMENT TEAM

Pallavi More  
(President)

H. B. Charna  
(Sr. President)

Dipesh Mehta  
(President - MIS)

Sujit Sinha  
(President - Paints)

Gurinder Singh Gulati  
(CFO & President Commercial)

Rattan Sharma  
(President - Chemicals : Zone II)

Sachin Dhanawade  
(C.O.O. - Retail & Real Estate)

Chintan K. Gandhi  
(Company Secretary)

### AUDITORS

M/s SCA And Associates  
(Chartered Accountants)

## PLANTS

### Dadra (U.T.)

Surface Finishing - Chemicals & Paints

### Barotiwala (H.P.)

Surface Finishing - Paints

### Vapi (Gujrat)

Surface Finishing - Chemicals & Lube

### Samba (Jammu)

Surface Finishing - Chemicals

### Alandi (Pune)

Engineering

## REGISTERED OFFICE

Growel Corporate,  
Akurli Road, Kandivli (East),  
Mumbai 400 101.

CIN : L74999MH1957PLC010975

[www.growel.com](http://www.growel.com)

## SHOPPERTAINMENT

Kandivli (Mumbai)

## BANKERS

The Saraswat Co-op. Bank Ltd.

Axis Bank Ltd.

Punjab National Bank

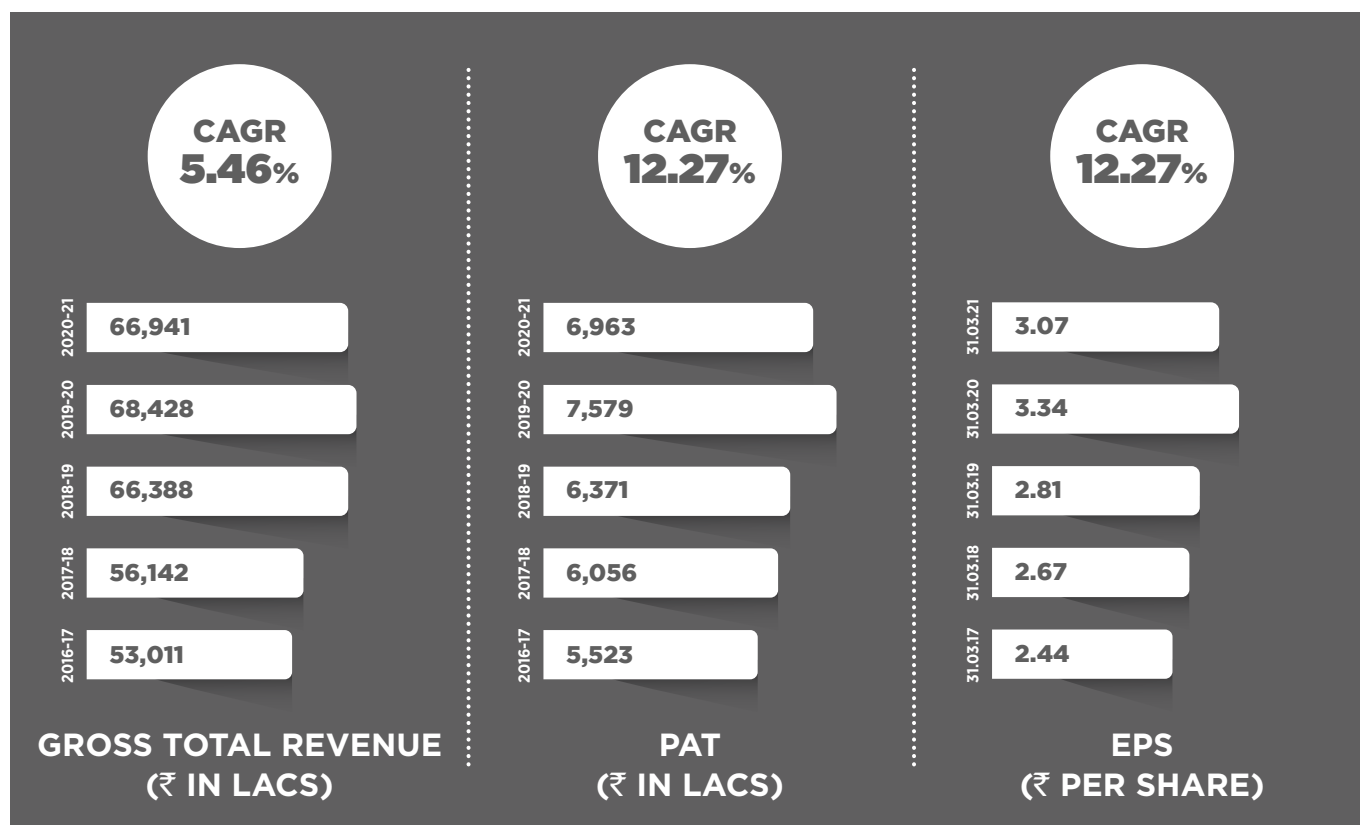
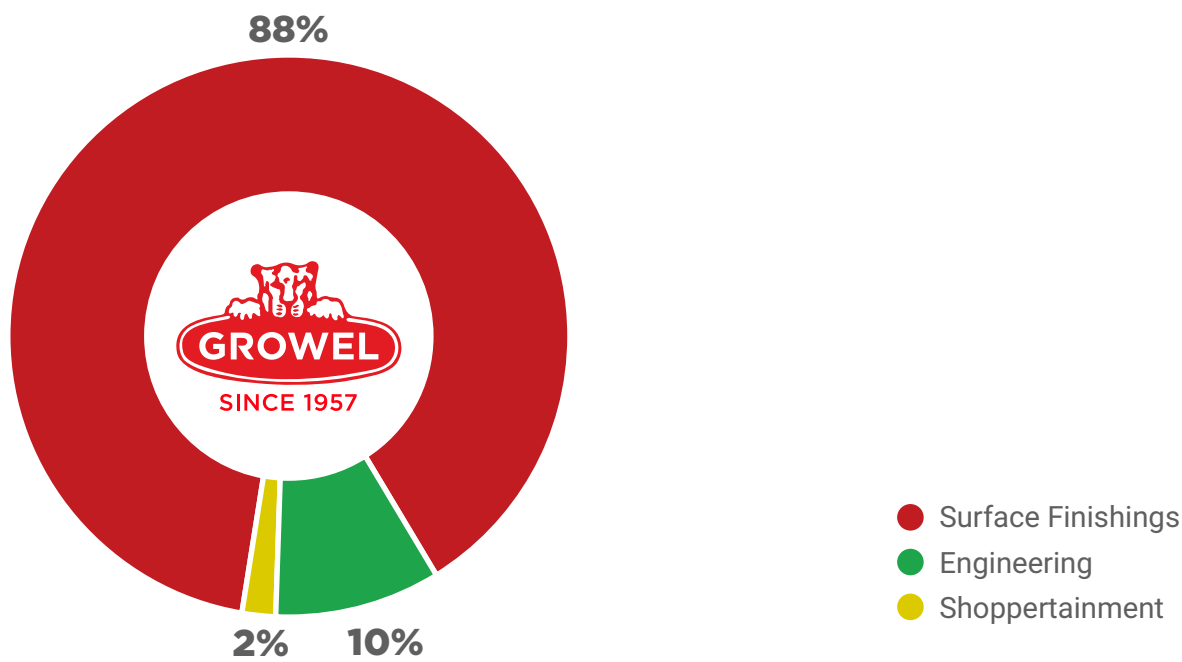
ICICI Bank Ltd.

DBS Bank (India) Ltd.



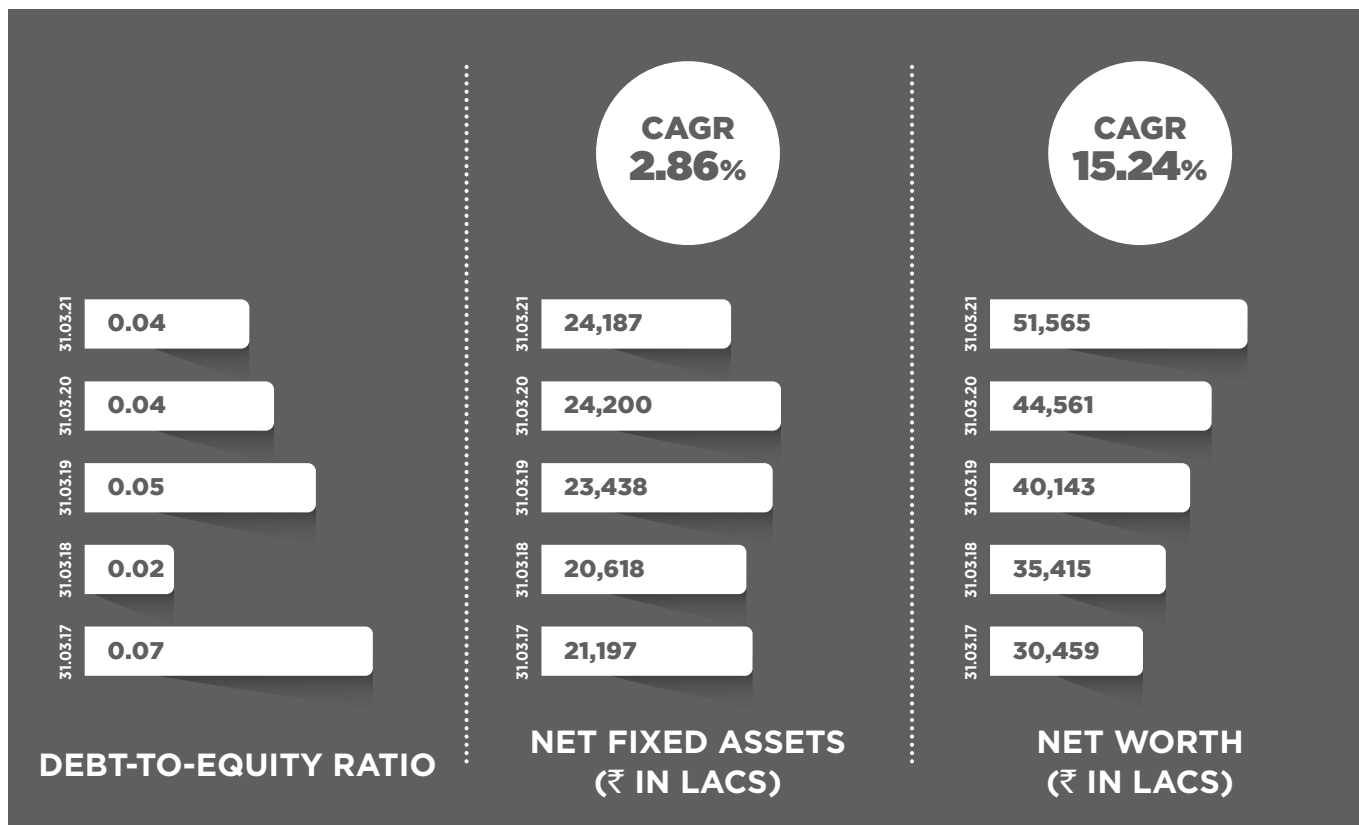
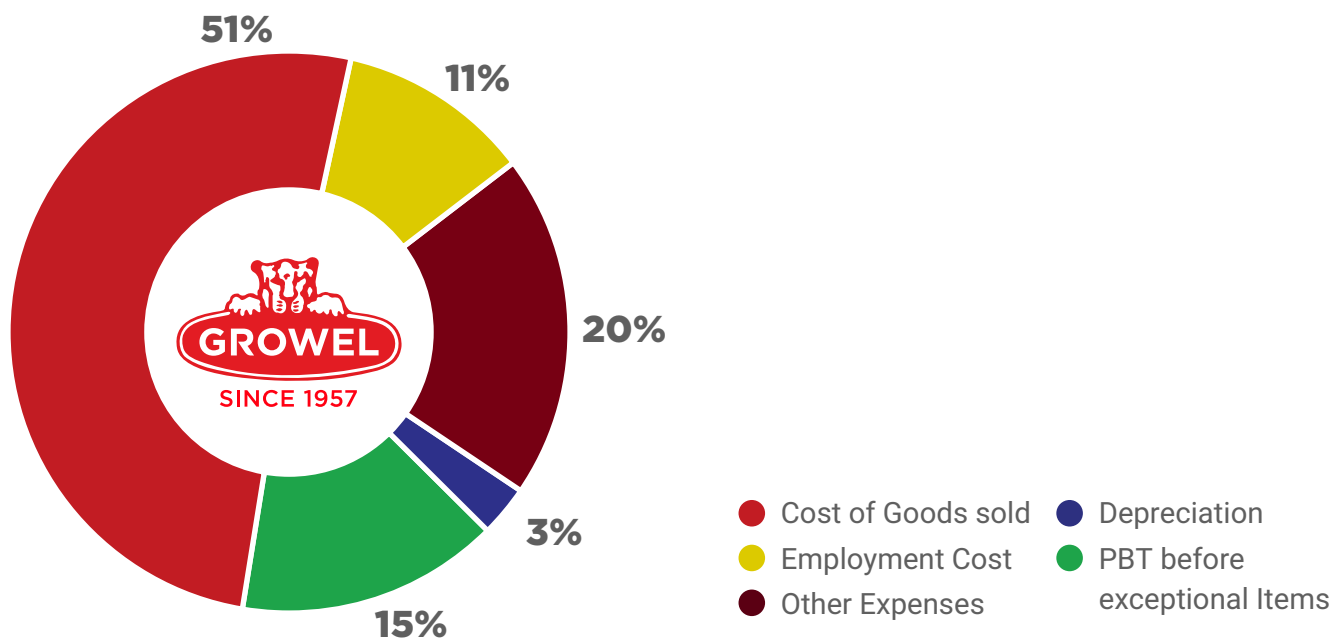
# OUR FINANCIAL PERFORMANCE

## BUSINESS WISE - GROSS OPERATING INCOME 2020-21



# OUR FINANCIAL PERFORMANCE

## DISTRIBUTION OF INCOME 2020-21



# GROWEL'S JOURNEY

Growel has been a trendsetter in the general metal finishing industry and a formidable player in the field of surface finishing and engineering equipment. After the start-up of Chemical production in 1957, the company ventured into manufacturing of engineering equipment in 1964 to provide complete electroplating solutions to its customers. The company's foray into paints production started with the acquisition of Bombay Paints in 1994 which was later merged with Grauer & Weil (India) Limited in 2008. Growel ventured into real estate development in 2005 and built a sprawling 4,75,000 square feet shopping centre in the western suburbs of Mumbai.

Growel's R&D is recognized by The Indian Council of Science & Technology for its innovative & technological prowess in the Chemical & Paint divisions. This recognition stands testimony to our unwavering commitment towards developing and producing quality products that are safe for the environment.

Growel's Chemical & Paint division is IMS (Integrated Management System) certified. We are the first chemical company in India to have received the coveted AS9100 aerospace certification, established by the aerospace industry, which demonstrates our ability to satisfy DOD, NASA and FAA quality standards.



**MISSION:** To be a predominant global player in the field of surface finishing which invokes pride in all our stakeholders through innovation, customer centricity, fair trade practices, integrity, sustainability and care for our planet.

**VISION:** To be in Top 2 in all our businesses on the strength of our people and values.



Chemical Plant, Dadra



Chemical & Lube Plant, Vapi



Chemical Plant, Jammu



Engineering Plant, Pune



Paints Plant, Dadra



Paints Plant, Barotiwala

# KEY PRODUCT OFFERINGS

## Evolving and expanding product portfolio



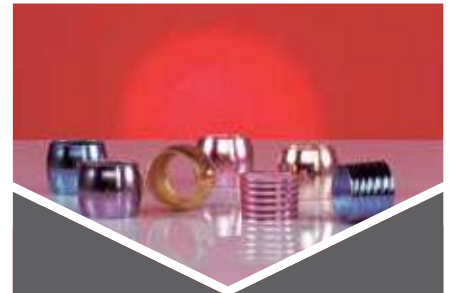
### ELECTROPLATING

- Functional Coatings
- Decorative Coatings
- Pre Treatments
- Plating On Difficult Substrates
- Specialty Chemicals



### DISTINCT SURFACE FINISHES

- Electroless Plating
- Electronics
- Precious Metals
- Post Treatment
- Conversion Coatings



### TOP COATS

- Passivation
- Sealers
- Electrophoretic Lacquer



### SPECIALITY CHEMICALS

- Zinc Flake Coatings
- Intermediates



Growel is the Only Company in India and one of the few in the world to offer a complete package of corrosion and protection solutions under one roof.



### ENGINEERING EXCELLENCE

- Automatic Plating
- Phosphating Plants
- Painting Plants
- Filtration System



### HIGH PERFORMANCE COATINGS

- Industrial Coatings
- Heavy Duty Coatings
- Marine Coatings
- Aerospace & Defence Coatings
- Architectural Coatings



### INDUSTRIAL LUBRICANTS

- Rust Preventive Oils
- Cutting Oils
- Hydraulic Oils
- Speciality Oils
- Heat Treatment Oils



### EFFLUENT TREATMENT SYSTEMS

- Zero Discharge System
- Waste Water Treatment



# CHEMICALS



Growel's Chemical Division offers a plethora of surface finishing solutions under one roof. These solutions address the needs of various industries including Automobiles, Hardware, Electronics, White Goods, Sanitary Fittings, Jewellery, Aerospace, Railways, Defence, Energy etc.

## PRE TREATMENTS:

Complete range of cleaners, de-oxidiser, descaler corrosion inhibitors, fume suppressants rust preventives, etc.

## GENERAL METAL FINISHING:

**DECORATIVE COATING:** Coating related to the high quality appearance of components - brass, copper, nickel, chrome, white and yellow bronze and a gamut of wide antique finishes.

**FUNCTIONAL COATINGS:** Coatings related to the performance of processed components - zinc and zinc alloys, hexavalent and trivalent chromates, protective aqueous topcoats, hard chrome, multilayer nickel and cadmium.



## PLATING ON DIFFICULT TO PLATE SUBSTRATES:

Plating on plastics, aluminium and mazak component.

## SPECIALTY CHEMICALS:

Intermediates form the backbone of today's additive systems. They help to provide exotic finishes with exceptional properties to various substrates.

## PLATING ON ELECTRONICS:

Complete range of chemicals for printed circuit boards.

## PRECIOUS METAL PLATING:

Complete range for plating of gold, silver, palladium, etc.

**ELECTROLESS PLATING:** • Highly stable, ROHS compliant & efficient electroless nickel plating.

• Highly stable, high speed electroless copper plating for printed circuit board plating application.

**ZINC FLAKE COATING:** GEOMET zinc aluminium flake technology opens new horizons for corrosion protection by providing cathodic corrosion protection to the processed steel parts along with complete freedom from hydrogen embrittlement.

• **ANODIZING** • **ELECTROPHORETIC LACQUER**  
• **PHOSPHATING**



# ENGINEERING



## ENGINEERING DIVISION

Located in Pune, our Engineering Division conceptualizes, designs, manufactures, and installs a wide range of surface finishing and wastewater treatment plants & equipment tailor-made to meet the specific surface finishing requirements of every industry. Over 800 plants of varied types have been commissioned worldwide.

We offer comprehensive solutions to all the fields of plating application technology including material handling, auxiliary equipment, water treatment & effluent treatment plants.

## SURFACE TREATMENT PLANTS

We specialise in design and manufacturing of surface finishing systems dedicated virtually to the entire range of metal finishing processes. Our products encompass a wide range of plants and equipment for fully automatic, semi-automatic and manually operated versions.

- Electroplating
- Phosphating
- Anodizing
- Pickling
- Zinc Flake Coating



## ENVIRONMENT

Growel supplies and installs automatic effluent treatment plants with ZLD and wastewater treatment plants for various industries. Our systems are based on the latest international technique for waste minimization at source.

We also provide:

- Sophisticated recovery systems and filtration units for chromium, heavy metals, acid etc.
- Systems like ultra-filtration and reverse osmosis.

## INDUSTRIES

Growel's Engineering Division serves a variety of Industries

- Hardware
- Fasteners
- Aerospace
- Defense
- Steel
- Wire and Tube
- Electrical
- Bath Fittings
- Architectural Fixtures
- Industrial Applications



# PAINTS



For last 6 decades, Growel High Performance Industrial Coatings are predominantly being used by refineries, oil exploration, petrochemicals, power plants, steel / aluminium / zinc industry, nuclear power, hydro power, heavy chemical industry and many others. We have a comprehensive range of products for all applications with proven track records & meets the requirements of ISO:12944.

## PIPELINE COATINGS:

We are pioneers in these coatings. Our selective products are approved by WRAS-UK and NSF-USA which are used for drinking water pipelines and also for irrigation water intercity pipelines. We also make gas flow coatings for internal pipelines carrying natural gas. Our paints confirm to international API standards. Besides, we also make long life epoxy coatings for underground buried pipes, elastomeric PU & vinyl ester coatings for sea water intake lines and specialized epoxy lining for aviation fuel pipe lines.



We have a technical tie-up with Transocean Coatings-Netherland. We make complete paint system for ships including long life anti-fouling coatings.

## AEROSPACE & DEFENCE:

We have AS:9100 accreditation for these coatings. Our coatings have substituted many previously imported coatings for defense missile system, aircrafts and battle tanks. Our relevant paints are approved by DRDO and are used in defense equipment.

Our products are used for tractors, agricultural equipment and commercial vehicles extensively. We also make paint for PEB segment which are used by various reputed manufacturers on preferred basis.







Growel offers a wide range of specialized lubricant under the registered name 'GRODAL' for all metal working applications to optimize machining performance, prolonging the service life of the tools & improving environmental safety impact, through high-performance advanced fluids of European technology. Under pressure to reduce product costs and the impact of environmental challenges, we are a long-term partner for manufacturers seeking to anticipate future challenges and benefit from them by developing innovative products. We are committed to providing innovative solutions to help our customers more efficiently.

## PRODUCT PORTFOLIO

- **RUST PREVENTIVE OILS:**  
Solvent, oil & water-based products for short to long-term protection.
- **Cutting Fluids:**  
Mineral, semi-synthetic & fully synthetic ranges for all types of cutting operations.
- **Forming Fluids:**  
Wire & non-wire products for drawing, punching, stamping, blanking applications.



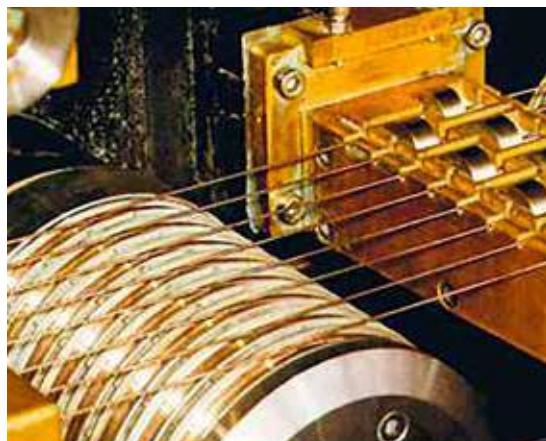
- **Heat Treatment Fluids:**  
Oil, salt & Polymer-based products optimized for different metallurgies.
- **Other Specialty Industrial Lubricants:**  
For general machinery maintenance applications.

## INDUSTRIES CATERED:

Automotive, auto ancillaries, industrial off-highway equipment, engineering tools manufacturing, die casting, forging, metal processing – steel & aluminium, wire & cable industry, tube & pipe industry, glass industry & general manufacturing.

## VALUE-ADDED SERVICES OFFERED:

- Custom-tailored formulation for industrial requirements & product recommendations.
- Troubleshooting & onsite support for trials & general queries.
- Technical consultation – Fluid management, energy conservation, recycling & waste disposal management, etc.
- Process consultation – Condition monitoring, emulsion preparation, water quality tests, maintenance planning, operator training, etc.





# RESEARCH AND TECHNOLOGICAL EXCELLENCE

## From Innovation to Impact

Research and development is the backbone of our operations to meet the challenges of new product offerings by competitors. Our dedicated, highly qualified and experienced talent pool of employees has brought many industry firsts to our credit.

Green technologies and backward integration has been a key driver to our R&D roadmap. Our R&D labs at Kandivli and Chembur have been duly recognised by prestigious Indian Council of Science and Technology.



# NATIONAL PRESENCE



	Corporate Office
	Branch Office / Depot
	Technical Service Centre
	Plants

## GLOBAL PRESENCE

We are present in 50+ countries spread over 7 regions.



Region wise revenues from  
International operations in FY 2020 - 21





	Distributor Network
	Branch Offices



**MIDDLE EAST**



**ASIA**



**FAR EAST**



## EVENTS & CSR ACTIVITIES



Women's day celebration



Safety week celebration



Industrial awareness  
in Government Sr. Sec. School, Patta



Donation given for awareness & prevention  
of cancer under CSR activities to  
Krishna Cancer Aid Association, D.N.H.



Blood donation camp, Silvassa



Food packet distributed to  
poor villagers-labours  
(COVID-19) lockdown period



## Events & CSR Activities

### COVID CARE KITS DISTRIBUTION (Old age home & orphanage)



**TOTAL 174 COVID CARE KITS WERE DISTRIBUTED**

### CHRISTMAS PARTY FOR UNDERPRIVILEGED KIDS (Kids from NGO: Junoon)



### RATION DISTRIBUTION: COVID-19 (Underprivileged sector)



**RATION WORTH ₹ 1.60  
LAKH WAS DISTRIBUTED**

### STREET PLAY BY UNDERPRIVILEGED KIDS FOR ROAD SAFETY WEEK Followed by meals & entertainment



**MAHARASHTRA TIMES**



**PUDHARI**



**MUMBAI MITRA**

## FINANCIAL HIGHLIGHTS FOR LAST 5 YEARS

\*

(Rupees in lacs )

Financial Year ended	31.03.16	31.03.17	31.03.18	31.03.19	31.03.20	31.03.21
Gross Sale	47,557.12	49,232.60	51,392.06	61,167.73	62,879.64	63,731.62
Other Operating Income ( Including Mall income )	3,155.71	3,346.21	3,715.25	4,067.00	4,380.36	1,735.10
<b>Gross Operating Revenue</b>	<b>50,712.83</b>	<b>52,578.81</b>	<b>55,107.31</b>	<b>65,234.73</b>	<b>67,260.00</b>	<b>65,466.72</b>
Other Misc. Income	594.03	431.95	1,034.82	1,153.09	1,167.98	1,474.17
<b>Gross Total Revenue</b>	<b>51,306.86</b>	<b>53,010.76</b>	<b>56,142.13</b>	<b>66,387.82</b>	<b>68,427.98</b>	<b>66,940.89</b>
Trade Discounts	4,508.35	5,195.64	4,831.16	5,319.71	5,535.68	4,988.35
Excise Duty	3,998.48	4,394.55	1,076.31	-	-	-
<b>Net Income</b>	<b>42,800.03</b>	<b>43,420.57</b>	<b>50,234.66</b>	<b>61,068.11</b>	<b>62,892.30</b>	<b>61,952.54</b>
Cost of Material	20,318.35	21,182.45	25,283.20	31,977.46	31,287.93	31,433.23
Salaries, Wages & Benenfits	5,071.18	4,888.82	5,701.24	6,707.65	7,316.10	6,927.14
Other Expenses	9,366.27	8,411.82	8,829.83	10,742.83	13,456.49	12,037.97
<b>Total Expenditure</b>	<b>34,755.80</b>	<b>34,483.09</b>	<b>39,814.27</b>	<b>49,427.94</b>	<b>52,060.52</b>	<b>50,398.34</b>
<b>EBITDA</b>	<b>8,044.23</b>	<b>8,937.48</b>	<b>10,420.39</b>	<b>11,640.17</b>	<b>10,831.78</b>	<b>11,554.20</b>
Depreciation	1,416.61	1,388.37	1,495.21	1,545.79	1,894.72	1,832.97
<b>EBIT</b>	<b>6,627.62</b>	<b>7,549.11</b>	<b>8,925.18</b>	<b>10,094.38</b>	<b>8,937.06</b>	<b>9,721.23</b>
Finance costs	883.30	163.17	181.43	79.30	260.18	215.23
<b>Profit Before Exceptional Item &amp; Tax</b>	<b>5,744.32</b>	<b>7,385.94</b>	<b>8,743.75</b>	<b>10,015.08</b>	<b>8,676.88</b>	<b>9,506.00</b>
Less: Exceptional Item	(485.51)	-	-	(618.78)	859.42	-
<b>Profit Before Tax (PBT)</b>	<b>5,258.81</b>	<b>7,385.94</b>	<b>8,743.75</b>	<b>9,396.30</b>	<b>9,536.30</b>	<b>9,506.00</b>
Tax (Current, Deferred, and FBT)	1,354.17	1,862.84	2,687.93	3,025.13	1,956.87	2,542.85
<b>Net Profit After Tax (PAT)</b>	<b>3,904.64</b>	<b>5,523.10</b>	<b>6,055.82</b>	<b>6,371.17</b>	<b>7,579.43</b>	<b>6,963.15</b>

\* Note- The figures of profit & loss account for the year ended 31st March ,2016 are as per IGAAP while for the period thereafter the figures are as per Ind AS hence not directly comparable.

Financial Year as on	31.03.16	31.03.17	31.03.18	31.03.19	31.03.20	31.03.21
Equity Share Capital	2,267.06	2,267.06	2,267.06	2,267.06	2,267.06	2,267.06
Reserves & Surplus	23,101.22	28,192.37	33,148.40	37,875.97	42,293.50	49,298.24
<b>Networth</b>	<b>25,368.28</b>	<b>30,459.43</b>	<b>35,415.46</b>	<b>40,143.03</b>	<b>44,560.56</b>	<b>51,565.30</b>
<b>Total Debt</b>	<b>2,665.05</b>	<b>2,005.73</b>	<b>717.74</b>	<b>2,111.42</b>	<b>1,923.32</b>	<b>1,932.66</b>
Deferred Tax Liabilities	921.90	1,169.32	1,692.68	1,727.78	1,232.33	1,231.45
<b>Total Sources of Funds</b>	<b>28,955.23</b>	<b>33,634.48</b>	<b>37,825.88</b>	<b>43,982.23</b>	<b>47,716.21</b>	<b>54,729.41</b>
<b>Net Fixed Assets</b>	<b>21,003.21</b>	<b>21,197.39</b>	<b>20,618.39</b>	<b>23,437.95</b>	<b>24,200.46</b>	<b>24,187.19</b>
<b>Investments</b>	<b>140.03</b>	<b>257.97</b>	<b>465.72</b>	<b>257.38</b>	<b>259.16</b>	<b>256.22</b>
Current/Non Current Assets	17,828.78	23,859.56	29,633.88	34,435.12	39,809.19	50,695.93
Less: Current/Non Current Liabilities	10,016.79	11,680.44	12,892.11	14,148.22	16,552.60	20,409.93
<b>Net Current Assets</b>	<b>7,811.99</b>	<b>12,179.12</b>	<b>16,741.77</b>	<b>20,286.90</b>	<b>23,256.59</b>	<b>30,286.00</b>
Misc. Expenditure	-	-	-	-	-	-
<b>Total Uses of Funds</b>	<b>28,955.23</b>	<b>33,634.48</b>	<b>37,825.88</b>	<b>43,982.23</b>	<b>47,716.21</b>	<b>54,729.41</b>

Ratios	31.03.16	31.03.17	31.03.18	31.03.19	31.03.20	31.03.21
<b>EPS (Rs.)** (PAT / No of Shares)</b>	1.72	2.44	2.67	2.81	3.34	3.07
<b>Book Value per Share (Rs.) (Networth / No of shares )</b>	11.19	13.44	15.62	17.71	19.66	22.75
<b>Return on Capital Employed (ROCE) (EBIT / Total Uses of Funds )</b>	22.9%	22.4%	23.6%	23.0%	18.7%	17.8%
<b>Return on Networth (RONW) ( PAT / Networth )</b>	15.4%	18.1%	17.1%	15.9%	17.0%	13.5%
<b>Debt: Equity Ratio ( Total Debt / Networth )</b>	0.11	0.07	0.02	0.05	0.04	0.04
<b>EBDITA to Net Income (EBDITA /Net income )</b>	18.8%	20.6%	20.7%	19.1%	17.2%	18.7%

\*\* on face value of Rs 1/- per share

## NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the 63<sup>rd</sup> Annual General Meeting of the members of GRAUER & WEIL (INDIA) LIMITED will be held on Wednesday, September 29, 2021 at 3.00 pm through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business :

### ORDINARY BUSINESS :

- I. To receive, consider, approve and adopt
  - a. the Standalone Audited Financial Statements of the Company for financial year ended March 31, 2021 together with the Reports of the Directors and the Auditors thereon.
  - b. the Consolidated Audited Financial Statements of the Company for financial year ended March 31, 2021 together with the Reports of the Auditors thereon.
2. To declare a Dividend on Equity Shares for the financial year ended March 31, 2021.
3. To appoint a Director in place of Mr. Umeshkumar More (DIN : 00112662), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS :

4. **Re-appointment of Mr. Rohitkumar More as a Whole-time Director of the Company.**

**To consider and, if thought fit, to pass the following resolution as a Special Resolution :**

**"RESOLVED THAT** subject to such approvals, consents and sanctions as may be necessary and further subject to such terms, conditions, stipulations and restrictions as may be imposed by the authorities while granting such approvals, consents and sanctions, the consent of the members be and is hereby accorded pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), to the re-appointment of Mr. Rohitkumar More (DIN : 00139797) as a Whole-time Director of the Company for a period of 5 (Five) Years w.e.f. April 1, 2022, on such terms and conditions including the remuneration payable to him, as a Whole-time Director and the minimum remuneration payable to him in the event of absence or inadequacy of profits in any year, as follows :

- a) **Salary & Allowances** : Upto Rs. Sixty Lacs p.a. as may be decided by the Board from time to time.
- b) **Commission** : Upto Rs. Fifty Lacs p.a. as may be decided by the Board from time to time.
- c) **Perquisites** : In addition to the salary, allowances and commission, Mr. Rohitkumar More shall be entitled to the following perquisites and benefits :
  - i) Medical allowance including reimbursement, as per the rules of the Company.
  - ii) Leave with full pay and all allowances as per the rules of the Company.
  - iii) Leave travel concession / allowance for self and family including dependents as per the rules of the Company.
  - iv) Encashment of leave as per the rules of the Company.
  - v) Contribution to Provident Fund and Gratuity Fund as per the rules of the Company.
  - vi) Use of car with driver.
  - vii) Premium for personal accident insurance and medical insurance for self and family as per the rules of the Company.
  - viii) Club fees.
  - ix) Free telephone facility at residence and use of mobile phone for the business of the Company.
  - x) All other payments in the nature of perquisites and benefits as agreed by Chairman or Managing Director subject to such limits for the remuneration and perquisites as laid down by the Government in Schedule V of the Companies Act, 2013 and / or changes / variations / modifications made / that may be made therein from time to time.

In arriving at the value of perquisites, in so far as, if there exist a provision for valuation of such perquisites under the Income Tax Rules, then the value shall be determined on the basis of that Income Tax Rules in force from time to time.



**FURTHER RESOLVED THAT** the Board be and is hereby authorized to alter and / or vary the terms and conditions of the appointment including remuneration payable to him from time to time, provided however that the remuneration payable shall not exceed the limits specified in Schedule V of the Companies Act, 2013 as existing or as amended, modified or re-enacted from time to time.

**Minimum Remuneration :**

The remuneration as above including perquisites shall nevertheless be paid as minimum remuneration in the event of absence or inadequacy of profits in any financial year, subject to the condition that the remuneration shall not without the approval of Central Government, if required, exceed the limits specified in Section II & III of Part II of Schedule V of the Companies Act, 2013, computed on the basis of the effective capital of the Company, as defined in the explanation under Section IV of Part II of Schedule V of the Companies Act, 2013 as in force for the time being or as amended in the future.

**FURTHER RESOLVED THAT** the Board of Directors be and is hereby authorized to take all such steps and do all such acts and deeds as may be necessary to give effect to the above resolution.”

**5. Re-appointment of Mr. Nirajkumar More as a Managing Director of the Company.**

**To consider and, if thought fit, to pass the following resolution as a Special Resolution :**

“**RESOLVED THAT** subject to such approvals, consents and sanctions as may be necessary and further subject to such terms, conditions, stipulations and restrictions as may be imposed by the authorities while granting such approvals, consents and sanctions, the consent of the members be and is hereby accorded pursuant to the provisions of Section 196, 197 and 203 reads with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), to the re-appointment of Mr. Nirajkumar More (DIN : 00113191) as a Managing Director of the Company for a period of 5 (Five) Years w.e.f. July 01, 2022, on such terms and conditions including the remuneration payable to him, as a Managing Director and the minimum remuneration payable to him in the event of absence or inadequacy of profits in any year, as follows :

- a) **Salary and Allowances :** Upto Rs. Two Crore p.a. as may be decided by the Board from time to time.
- b) **Commission :** Upto Rs. One Crore Fifty Lacs p.a. as may be decided by the Board from time to time.
- c) **Perquisites :** In addition to the salary, allowances and commission, Mr. Nirajkumar More shall be entitled to the following perquisites and benefits :
  - i) Medical allowance including reimbursement, as per the rules of the Company.
  - ii) Leave with full pay and all allowances as per the rules of the Company.
  - iii) Leave travel concession / allowance for self and family including dependents as per the rules of the Company.
  - iv) Encashment of leave as per the rules of the Company.
  - v) Contribution to Provident Fund and Gratuity Fund as per the rules of the Company.
  - vi) Use of car with driver.
  - vii) Premium for personal accident insurance and medical insurance for self and family as per the rules of the Company.
  - viii) Club fees.
  - ix) Free telephone facility at residence and use of mobile phone for the business of the Company.
  - x) All other payments in the nature of perquisites and benefits as agreed by Chairman or Managing Director subject to such limits for the remuneration and perquisites as laid down by the Government in Schedule V of the Companies Act, 2013 and / or changes / variations / modifications made / that may be made therein from time to time.

In arriving at the value of perquisites, in so far as, if there exist a provision for valuation of such perquisites under the Income Tax Rules, then the value shall be determined on the basis of that Income Tax Rules in force from time to time.

**FURTHER RESOLVED THAT** the Board be and is hereby authorized to alter and / or vary the terms and conditions of the appointment including remuneration payable to him from time to time, provided that the remuneration payable shall not exceed the limits specified in Schedule V of the Companies Act, 2013 as existing or as amended, modified or re-enacted from time to time.

**Minimum Remuneration :**

The remuneration as above including perquisites shall nevertheless be paid as minimum remuneration in the event of absence or inadequacy of profits in any financial year, subject to the condition that the remuneration shall not without the approval of Central Government, if required, exceed the limits specified in Section II & III of Part II of Schedule V of the Companies Act, 2013, computed on the basis of the

effective capital of the Company, as defined in the explanation under Section IV of Part II of Schedule V of the Companies Act, 2013 as in force for the time being or as amended in the future.

**FURTHER RESOLVED THAT** the Board of Directors be and is hereby authorized to take all such steps and do all such acts and deeds as may be necessary to give effect to the above resolution”.

## 6. Appointment of Mr. Shashikant Keshav Sakhalkar as an Independent Director.

**To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution :**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Shashikant Keshav Sakhalkar (DIN : 00695661), who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013, in the Board Meeting held on February 11, 2021, to hold office from February 11, 2021 and who holds office up to the date of next Annual General Meeting and being eligible offers himself for re-appointment, be and is hereby appointed as a Director of the Company.

**FURTHER RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as ‘SEBI Listing Regulations’), Mr. Shashikant Keshav Sakhalkar, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (Five) consecutive years w.e.f. February 11, 2021, not liable to retire by rotation.”

## 7. Appointment of Mr. Yogesh Samat as a Director.

**To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution :**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Yogesh Samat (DIN : 00717877), who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013, in the Board Meeting held on June 30, 2021 to hold office from July 1, 2021 and who holds office up to the date of next Annual General Meeting and being eligible offers himself for re-appointment, be and is hereby appointed as a Director of the Company.

## 8. Appointment of Mr. Yogesh Samat as a Whole-time Director of the Company.

**To consider and, if thought fit, to pass the following resolution as a Special Resolution :**

**“RESOLVED THAT** subject to such approvals, consents and sanctions as may be necessary and further subject to such terms, conditions, stipulations and restrictions as may be imposed by the authorities while granting such approvals, consents and sanctions, the consent of the members be and is hereby accorded pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), to the appointment of Mr. Yogesh Samat (DIN : 00717877) as a Whole-time Director of the Company for a period of 5 (Five) Years w.e.f. July 1, 2021, on such terms and conditions including the remuneration payable to him, as a Whole-time Director and the minimum remuneration payable to him in the event of absence or inadequacy of profits in any year, as follows :

- a) **Salary & Allowances** : Upto Rs. Two Crore p.a. as may be decided by the Board from time to time.
- b) **Commission** : Upto Rs. Eighty Lacs p.a. as may be decided by the Board from time to time.
- c) **Perquisites** : In addition to the salary, allowances and commission, Mr. Yogesh Samat shall be entitled to the following perquisites and benefits :
  - i) Medical allowance including reimbursement, as per the rules of the Company.
  - ii) Leave with full pay and all allowances as per the rules of the Company.
  - iii) Leave travel concession / allowance for self and family including dependents as per the rules of the Company.

- iv) Encashment of leave as per the rules of the Company.
- v) Contribution to Provident Fund and Gratuity Fund as per the rules of the Company.
- vi) Use of car with driver.
- vii) Premium for personal accident insurance and medical insurance for self and family as per the rules of the Company.
- viii) Club fees.
- ix) Free telephone facility at residence and use of mobile phone for the business of the Company.
- x) All other payments in the nature of perquisites and benefits as agreed by Chairman or Managing Director subject to such limits for the remuneration and perquisites as laid down by the Government in Schedule V of the Companies Act, 2013 and / or changes / variations / modifications made / that may be made therein from time to time.

In arriving at the value of perquisites, in so far as, if there exist a provision for valuation of such perquisites under the Income Tax Rules, then the value shall be determined on the basis of that Income Tax Rules in force from time to time.

**FURTHER RESOLVED THAT** the Board be and is hereby authorized to alter and / or vary the terms and conditions of the appointment including remuneration payable to him from time to time, provided however that the remuneration payable shall not exceed the limits specified in Schedule V of the Companies Act, 2013 as existing or as amended, modified or re-enacted from time to time.

**Minimum Remuneration :**

The remuneration as above including perquisites shall nevertheless be paid as minimum remuneration in the event of absence or inadequacy of profits in any financial year, subject to the condition that the remuneration shall not without the approval of Central Government, if required, exceed the limits specified in Section II & III of Part II of Schedule V of the Companies Act, 2013, computed on the basis of the effective capital of the Company, as defined in the explanation under Section IV of Part II of Schedule V of the Companies Act, 2013 as in force for the time being or as amended in the future.

**FURTHER RESOLVED THAT** the Board of Directors be and is hereby authorized to take all such steps and do all such acts and deeds as may be necessary to give effect to the above resolution.”

**9. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2022.**

**To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution :**

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s V. J. Talati & Co., Cost Accountants (Firm Registration No. 00213), being the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company and all other connected / incidental matters, for the financial year ending March 31, 2022, be paid aggregate professional fees upto Rs. 1,60,000/- p.a. (Rupees One Lac Sixty Thousand only) or such other fees as may be decided by the Board from time to time plus Goods and Service Tax and actual out of pocket expenses incurred in connection with the Audit.

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

**Registered Office :**

Growel Corporate,  
Akurli Road, Kandivli [East],  
Mumbai - 400 101

Date : June 30, 2021

**For & on behalf of the Board of  
Grauer & Weil (India) Limited**

**Nirajkumar More**  
**Managing Director**  
**DIN : 00113191**

**Vinod Haritwal**  
**CEO & Whole-time Director**  
**DIN : 00112862**

**NOTES :**

- I. In view of the continuing Covid-19 global pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular vide General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and 02/2021 dated January 13, 2021 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (‘AGM’) through Video Conferencing (‘VC’) / Other Audio - Visual Means (‘OAVM’), without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (‘Act’), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Members will be able to attend the AGM on September 29, 2021 through VC / OAVM or view the live webcast by logging on to the e-voting website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) by using their e-voting login credentials. On this page, click on the link 'Shareholders / Members', the Video Conferencing / webcast link would be available adjacent to the EVSN of the Company.
3. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not annexed to this notice.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Businesses is annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2021 to September 29, 2021 (both days inclusive).
6. The Dividend on Equity Shares as recommended by the Directors for the year ended March 31, 2021, if approved by the members, at the meeting of the Company, will be paid within a period of 30 days from the date of declaration :
  - (a) to those members whose names appear on the Company's Register of Members, after giving effect to all valid shares transfer in physical form lodged with M/s Link Intime India Pvt. Ltd., RTA of the Company on or before September 21, 2021.
  - (b) in respect of shares held in electronic form, to those 'Deemed Members' whose names appear in the statements of beneficial ownership as on September 21, 2021, furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the closing hours of September 21, 2021.
7. In compliance with the aforesaid MCA Circulars and Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/ CMD1/ CIR /P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, notice of the AGM along with Annual Report for the financial year 2020-21 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the notice and the Annual Report for the financial year 2020-21 will also be available on the Company's website at '[www.growel.com](http://www.growel.com)' and on the website of the Stock Exchange i.e. BSE Limited at '[www.bseindia.com](http://www.bseindia.com)' and on the website of CDSL : '[www.evotingindia.com](http://www.evotingindia.com)'.
8. Corporate members, Societies etc., intending to send their authorised representative to attend the meeting through VC / OVAM are requested to send to the Company, a certified copy of the Board Resolution or other governing body of the body corporate authorising their representative(s) to attend and vote along with specimen signature of authorised representative(s) by e-mail to '[secretarial@growel.com](mailto:secretarial@growel.com)' before the commencement of the 63<sup>rd</sup> AGM.
9. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote, provided the votes are not already cast by remote e-voting.
10. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, Unclaimed Dividend up to the financial year 2012-13 has been transferred to the Investors Education & Protection Fund (IEPF). Members are hereby informed that Dividend, which remain unclaimed / unpaid for a period of 7 years from the respective date of payments, have to be transferred to the Investor Education & Protection Fund (IEPF). The dates of declaration of dividend along with the rate of dividend which are not transferred to IEPF is mentioned below :

Financial year	Date of declaration of Dividend	Rate of Dividend
2013-14	31-07-2014	16%
2014-15	20-08-2015	22%
2015-16 (Interim)	22-03-2016	20%
2015-16 (Final)	11-08-2016	08%
2016-17	25-09-2017	40%
2017-18	30-08-2018	60%
2018-19	05-09-2019	60%
2019-20 (Interim)	13-02-2020	50%



Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Companies Act, 2017 and the applicable rules. The members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in the prescribed Form IEPF – 5 available on '[www.iepf.gov.in](http://www.iepf.gov.in)'. Members who have not yet claimed their Dividend Warrant(s) for the financial years as indicated above are requested to claim the amounts forthwith from the Company.

11. Pursuant to regulation 26(4) and 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard – 2 on General Meeting issued by the Institute of Company Secretaries of India, additional Information of Directors seeking appointment / re-appointment at the meeting are furnished and forms a part of Annual Report.
12. Shareholders who would like to express their views / ask questions during the AGM may register themselves as a speaker by sending their request, mentioning their name, address, demat account number / folio number, email ID, mobile number at '[secretarial@growel.com](mailto:secretarial@growel.com)' between September 20, 2021 to September 22, 2021. The shareholders who do not wish to speak during the AGM but have queries may send their queries, mentioning their name, address, demat account number / folio number, email ID, mobile number to '[secretarial@growel.com](mailto:secretarial@growel.com)'. These queries will be suitably replied at the AGM or by email.
13. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting for a maximum time of 3 (Three) minutes each, once the floor is open for shareholder queries. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time for the AGM.
14. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company latest by September 22, 2021, so that the requested information can be made available at the time of meeting.
15. The Company has listed its shares on BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 under Security Code No. 505710.
16. Members holding Shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent (RTA) of the Company at the address given below and in case their shares are held in dematerialised form, this information should be passed on directly to their respective Depository Participants and not to the Company.

**RTA : M/s. LINK INTIME INDIA PVT. LTD. (CIN : U67190MH1999PTC118368)**

[Unit : Grauer & Weil (India) Limited]

C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083.

Phone : (022) 49186270; Fax : (022) 49186060; e-mail : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) URL : [www.linkintime.co.in](http://www.linkintime.co.in)

17. (a) Members are informed that in order to avoid fraudulent encashment of dividend warrants, they should send to the RTA of the Company, at the address given above, under the signature of the Sole / First Joint holder, the information relating to the Name and Address of the Banker along with the Pin Code Number and Bank Account Number, to print on the Dividend Warrants.
- (b) Members are encouraged to update their bank account details to enable expeditious credit of dividend into their respective bank accounts electronically through Automated Clearing House (ACH) mode or such other permitted mode for credit of dividend. Members are requested to submit the NECS Form to the RTA of the Company, at the address given above. NECS form is available on the website of the Company at '[www.growel.com](http://www.growel.com)'.
- (c) Members holding shares in dematerialized form and desirous to change or correct the bank account details should send the same immediately to the concerned Depository Participant. Members are also requested to give MICR Code and IFSC to the Depository Participant.
18. All documents referred to in the accompanying notice and the Explanatory Statement along with Registers shall be open for inspection by the Members by writing an e-mail to the Company Secretary at '[secretarial@growel.com](mailto:secretarial@growel.com)'.
19. In all correspondence with the Company, for speedy communication, members are requested to quote their folio no. and in case their shares are held in dematerialised form, they must quote their DP ID and Clint ID Number. Members are also requested to mention Contact No. & e-mail ID for faster Communication.
20. To support the "Green Initiative" and for receiving all communication (including notice and Annual Report) from the Company electronically,
  - (a) Members holding shares in physical mode and who have not registered / updated their email addresses with the Company / RTA are requested to register / update the same by writing to the Company / RTA or by mailing the scanned copy of a signed request letter

with details of Folio Number, complete address, email address to be registered and attaching a self-attested copy of the PAN Card at '[secretarial@growel.com](mailto:secretarial@growel.com)' or to the Company's RTA at '[rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)'.

(b) Members holding shares in dematerialised mode are requested to register/ update their email addresses with the relevant Depositories.

21. As per amended regulation 40 of SEBI Listing Regulations, with effect from April 1, 2019, securities can be transferred only in dematerialized form. However, members can continue to hold the shares in physical form. Transfer of securities in demat form will facilitate convenience and ensure safety of transactions for investors. Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.
22. The Nomination Form No. SH-13 and SH-14 as prescribed under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 can be obtained from the Secretarial Department of the Company at its Registered Office. The same is also available on the website of the Company at '[www.growel.com](http://www.growel.com)'.
23. Pursuant to the amendments introduced by the Finance Act, 2020, the dividend income will be taxable in the hands of the shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. However, no tax will be deducted on payment of dividend to the resident individual shareholders, if the total dividend paid does not exceed Rs. 5,000/-. The rate of tax deducted at source will vary depending on the residential status of the shareholder and documents registered with the Company.

For the prescribed rates of various categories, the shareholders are requested to refer the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company / RTA (In case shares are held in physical mode) and depository (in case shares are held in demat mode). A resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H by email on '[investorscommunication@growel.com](mailto:investorscommunication@growel.com)' on or before September 21, 2021, to avail the benefit of non-deduction of tax at source. Resident Shareholders are requested to note that in case their PAN is not registered or if the PAN provided to the Company / RTA is invalid, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence by submitting necessary documents, forms, declaration, Tax Residency Certificate, Form 10F and any other document which may be required to avail the tax treaty benefits, by email on '[investorscommunication@growel.com](mailto:investorscommunication@growel.com)' on or before September 21, 2021.

24. The members can join the AGM in the VC / OAVM mode 30 minutes before the scheduled time of the commencement of the meeting by following the procedure as detailed in this notice. As per the MCA Circulars, the facility of participation at the AGM through VC / OAVM will be made available to at least 1000 members on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
25. The attendance of the members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
26. The voting rights of members shall be in proportion to their shares in the paid-up share capital of the Company as on the cut-off date ("Record Date"), i.e., as on September 22, 2021.
27. Since the AGM will be held through VC / OAVM Facility, the Route Map is not annexed in this notice.
28. **Instructions for Remote E-Voting and Electronic Voting System :**

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and regulation 44 of SEBI Listing Regulations, the Company is pleased to provide the facility of 'remote e-voting' (e-voting from a place other than the venue of AGM), to exercise their right to vote at the 63<sup>rd</sup> Annual General Meeting (AGM). The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL). The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

Those members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM. The members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM, but shall not be entitled to cast their vote again.

The Company has appointed M/s GMJ & Associates, firm of Practicing Company Secretary as the Scrutinizer to scrutinize the voting during the AGM by electronic mode and remote e-voting process in a fair and transparent manner. They have communicated their willingness to be appointed as such and they are available for the said purpose.

The instructions to members for voting electronically are as under :-

- (i) The e-voting period begins on Sunday, September 26, 2021 at 10.00 am and ends on Tuesday, September 28, 2021 at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, September 22, 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to cast their vote again.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020, under regulation 44 of SEBI Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders / retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

Pursuant to abovesaid SEBI Circular, login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login, the Easi / Easiest user will be able to see the e-voting Menu. On clicking the e-voting menu, the user will be able to see his / her holdings along with links of the respective e-voting service provider i.e. CDSL / NSDL / KARVY / LINK INTIME as per the information provided by Issuer / Company. Additionally, we are providing links to e-voting Service Providers, so that the user can visit the e-voting service providers' site directly.</li> <li>3) If the user is not registered for Easi / Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered mobile &amp; email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</li> </ol>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile. Once the home page of e-services is launched, click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section. A new screen will open. You will have to enter your user ID and password. After successful authentication, you will be able to see e-voting services. Click on 'Access to e-voting' under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select 'Register Online for IDeAS' Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your user ID (i.e. your sixteen digit Demat Account Number hold with NSDL), password / OTP and a verification code as shown on the screen. After successful authentication, you will be redirected to NSDL depository site wherein you can see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL depository site. After successful authentication, wherein you can see e-voting feature, click on Company name or e-voting service provider name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

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

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

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

(v) Login method for e-voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.

- The shareholders should log on to the e-voting website : [www.evotingindia.com](http://www.evotingindia.com).
- Click on 'Shareholders' module.
- Now enter your User ID;
  - For CDSL : 16 Digits beneficiary ID;
  - For NSDL : 8 Character DP ID followed by 8 Digits Client ID;
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on 'Login'.



- e. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- f. If you are a first time user follow the steps given below :

	For members holding shares in demat Form other than individual and physical form
PAN	<ul style="list-style-type: none"> <li>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>Members who have not updated their PAN with the Company / Depository Participant are requested to send an email to the Company's RTA at <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> to obtain a sequence number for such login.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> <li>Enter the Dividend Bank details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</li> <li>If both the details are not recorded with the Depository or Company, please enter the Member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (vi) After entering these details appropriately, click on 'SUBMIT' tab.
- (vii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this notice.
- (ix) Click on the EVSN for the Company.
- (x) On the voting page, you will see 'Resolution Description' and against the same the option 'YES / NO' for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- (xi) Click on the 'Resolutions file link' if you wish to view the entire resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'Cancel' and accordingly modify your vote.
- (xiii) Once you 'Confirm' your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take print of the voting done by you by clicking on 'Click here to print' option on the voting page.
- (xv) If demat account holder has forgotten the Login Password, then enter the user ID and the image verification code and click on 'Forgot Password' & enter the details as prompted by the system.

**Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice :**

- For Physical shareholders** – Please provide necessary details like Folio No., Name of the shareholder, Scanned copy of the Share Certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company / RTA email ID.
- For Demat shareholders** - Please provide demat account details (CDSL - 16 digit beneficiary ID or NSDL - 16 digit DPID + CLID), Name, Client Master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company / RTA email ID.

**Instructions for shareholders attending the 63<sup>rd</sup> AGM of the Company through VC / OAVM are as Under :**

- The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. The link for VC / OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.
3. Shareholders who have voted through remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM / EGM.
4. Shareholders are encouraged to join the meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
6. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience audio / video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Only those shareholders, who are present in the AGM / EGM through VC / OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the EGM / AGM.
8. If any votes are cast by the shareholders through the e-voting available during the EGM / AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

### Note for Non-individual shareholders and Custodians :

- Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to 'helpdesk.evoting@cdslindia.com'.
- After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA), which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system, for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutinizer and to the Company at the email address viz. 'secretarial@growel.com', if they have voted from individual tab & not uploaded the same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager (CDSL), Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43

29. The Scrutinizer will, immediately after the conclusion of voting at the 63<sup>rd</sup> AGM, start scrutinizing the votes cast at the meeting along with remote e-voting and prepare a consolidated Scrutinizer's Report and submit thereafter to the Chairman of the meeting or any person authorised by him. The result declared along with the consolidated Scrutinizer's Report will be placed on the Company's website at [www.growel.com](http://www.growel.com) and will be displayed on the notice board at the Registered Office of the Company, within 48 hours of the conclusion of the meeting. The Company will simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

## EXPLANATORY STATEMENT PURSUANT TO SEC. 102(I) OF THE COMPANIES ACT, 2013

### Item No. 4 :

In the 58<sup>th</sup> Annual General Meeting of the Company held on August 11, 2016, Mr. Rohitkumar More was re-appointed as a Whole-time Director of the Company for a period of 5 (Five) years w.e.f. April 1, 2017. Accordingly, his present terms of office will expire on March 31, 2022 and thus it is proposed to re-appoint him for a further period of 5 (Five) years as a Whole-time Director of the Company w.e.f. April 1, 2022.

Mr. Rohitkumar More is a Mechanical Engineer, looking after the day to day operations of the Engineering Division at Pune and has an experience of over 28 years.

Brief terms and conditions of his re-appointment including the remuneration payable to him as a Whole-time Director are set out in the resolution. A copy of draft letter of appointment proposed to be issued to Mr. Rohitkumar More recording the terms of his re-appointment for a period of Five years w.e.f. April 1, 2022 as referred to in the said resolution is available for inspection by the members at the Registered Office of the Company, during normal office hours on all working days except public holidays between 10.00 a.m. to 12.00 noon up to the date of the meeting i.e. September 29, 2021.

Brief resume of Mr. Rohitkumar More, nature of his expertise and names of the Companies in which he holds Directorship and Membership / Chairmanship of Board Committees, shareholding and relationships between the Directors inter-se as stipulated under regulation 36(3) of SEBI Listing Regulations forms part of the notice of the meeting and is annexed to this Annual Report.

On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on June 30, 2021, re-appointed Mr. Rohitkumar More as a Whole-time Director of the Company for a further period of 5 (Five) years w.e.f. April 1, 2022. The Board of Directors of the Company considers it desirable to continue to avail the services of Mr. Rohitkumar More as a Whole-time Director of the Company and accordingly recommends the resolution at Item No. 4 for the approval of the members by way of Special Resolution.

Except Mr. Rohitkumar More, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives, is / are in any way concerned / interested in the resolution set out at Item No. 4 of the accompanying notice of the AGM. Mr. Rohitkumar More is not related to any director(s) of the Company.

The Board recommends the passing of the resolution as set out at Item No. 4 of the notice of the AGM as a Special Resolution.

### Item No. 5 :

In the 58<sup>th</sup> Annual General Meeting of the Company held on August 11, 2016, Mr. Nirajkumar More was appointed as a Managing Director of the Company for a period of 5 (Five) years w.e.f. July 1, 2017. Accordingly, his present terms of office will expire on June 30, 2022 and thus it is proposed to re-appoint him for a further period of 5 (Five) years as a Managing Director of the Company w.e.f. July 1, 2022.

Mr. Nirajkumar More is associated with the Company since August 12, 1993. He has an experience of about 28 years in various fields in different types of industries. He was originally appointed as a Managing Director of the Company on November 1, 2008.

Brief terms and conditions of his appointment including the remuneration payable to him as a Managing Director are set out in the resolution. A copy of draft letter of appointment proposed to be issued to Mr. Nirajkumar More recording the terms of his re-appointment for a period of 5 (Five) years w.e.f. July 1, 2022 as referred in the said resolution is available for inspection by the members at the Registered Office of the Company, during normal office hours on all working days except public holidays between 10.00 a.m. to 12.00 noon up to the date of the meeting i.e. September 29, 2021.

Brief resume of Mr. Nirajkumar More, nature of his expertise and names of the Companies in which he holds Directorship and Membership / Chairmanship of Board Committees, shareholding and relationship between the Directors inter-se as stipulated under regulation 36(3) of SEBI Listing Regulations forms part of the notice of the meeting and is annexed to this Annual Report.

On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on June 30, 2021, re-appointed Mr. Nirajkumar More as a Managing Director of the Company for a further period of 5 (Five) years w.e.f. July 1, 2022. The Board of Directors of the Company considers it desirable to continue to avail the services of Mr. Nirajkumar More as a Managing Director of the Company and accordingly recommend the resolution at Item No. 5 for the approval of the members by way of Special Resolution.

Except Mr. Nirajkumar More, being appointee and Mr. Umeshkumar More, being father of Appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives, is / are in any way concerned / interested in the resolution set out at Item No. 5 of the accompanying notice of the AGM. Mr. Nirajkumar More is not related to any Director(s) of the Company except Mr. Umeshkumar More.

The Board recommends the passing of the resolution as set out at Item No. 5 of the notice of the AGM as a Special Resolution.

**Item No. 6 :**

The Board of Directors at their meeting held on February 11, 2021, appointed Mr. Shashikant Keshav Sakhalkar (DIN : 00695661) as an Additional Director of the Company with effect from February 11, 2021, upto the date of this Annual General Meeting.

Mr. S. K. Sakhalkar is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as an Independent Director. Mr. Sakhalkar has rich and varied experience of over 45 years in the fields of Information Technology and Human Resources in the manufacturing and service industries like Textile, Metal Finishing Chemicals, Engineering, Fertilizers, Textile Dyes & Chemicals, Paints, IT and Banking at various levels in Public, Private and Multinational Companies.

Mr. Sakhalkar was associated with the Company for around 18 years in the past. He has also been associated with Saraswat Co.-op. Bank Ltd. since 2008 in different capacities such as Director, Chairman and presently the Vice-Chairman of the Bank.

Mr. Sakhalkar has given declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations. The Nomination and Remuneration Committee has also recommended his appointment as Independent Director, not liable to retire by rotation.

In the opinion of the Board, he possesses appropriate skills, knowledge, experience and expertise and fulfils the conditions specified in the Companies Act, 2013, the rules framed thereunder and SEBI Listing Regulations for appointment as Independent Director and he is independent of the Management. Accordingly, it is proposed to appoint him as a director of the Company and recommends the Ordinary Resolution at Item No. 6 for the approval of the members.

Brief resume of Mr. Sakhalkar, nature of his expertise and names of the Companies in which he holds Directorships, Memberships and Chairmanships of Board, Committees, shareholding and relationships between the directors inter-se as stipulated under regulation 36(3) of the SEBI Listing Regulations forms part of the notice of Annual General Meeting and is annexed to this Annual Report.

The terms and conditions of his appointment are open for inspection at the Registered Office of the Company during normal office hours on all working days except public holidays between 10.00 a.m. to 12.00 noon up to the date of the Annual General Meeting.

This statement may also be regarded as a disclosure under SEBI Listing Regulations.

Except Mr. Sakhalkar, being appointee, none of the directors and Key Managerial Personnel of the Company and their relatives, is in any way concerned / interested in the resolution set out at Item No. 6 of the accompanying notice of the AGM. Mr. Sakhalkar is not related to any director(s) of the Company.

The Board recommends the passing of the resolution as set out at Item No. 6 of the notice of the AGM as an Ordinary Resolution.

**Item No. 7 & 8 :**

The Board of Directors at their meeting held on June 30, 2021, appointed Mr. Yogesh Samat as an Additional Director of the Company with effect from July 1, 2021, upto the date of this Annual General Meeting. Mr. Yogesh Samat is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a director.

Mr. Yogesh Samat is MBA from IIM (Bangalore) & CFA having wide exposure of Business Management, Administration and Management Consultancy. He has worked with Hindustan Unilever Ltd. and many other well-known Companies and also as CEO of Inorbit Mall and as a Independent Director of the Company.

Further the Board also subject to the approval of the members at the forthcoming Annual General Meeting, appointed him as a Whole-time Director of the Company for a period of 5 (Five) years with effect from July 1, 2021. The Nomination and Remuneration Committee has also recommended his appointment as a Whole-time Director of the Company for a period of 5 (Five) years.



Brief terms and conditions of his appointment including the remuneration payable to him as a Whole-time Director are set out in the resolution. A copy of the Letter of Appointment issued to him recording the terms of his appointment for a period of five years w.e.f. July 1, 2021 as referred to in the said resolution is available for inspection by the members at the Registered Office of the Company, during normal office hours on all working days except public holidays between 10.00 am and 12.00 noon up to the date of Annual General Meeting i.e. September 29, 2021.

Brief resume of Mr. Yogesh Samat, nature of his expertise and names of the Listed Companies in which he holds Directorships, Memberships and Chairmanships of Board, Committees, shareholding and relationships between the directors inter-se as stipulated under regulation 36(3) of the SEBI Listing Regulations forms part of the notice of Annual General Meeting and is annexed to this Annual Report.

The terms and conditions of appointment of Mr. Yogesh Samat are open for inspection at the Registered Office of the Company during office hours on all working days except public holidays between 10.00 am and 12.00 noon up to the date of Annual General Meeting i.e. September 29, 2021.

This statement may also be regarded as a disclosure under SEBI Listing Regulations.

Except Mr. Yogesh Samat, being appointee, none of the directors and Key Managerial Personnel of the Company and their relatives, is in any way concerned / interested in the resolutions set out at Item No. 7 & 8 of the accompanying notice of the AGM. Mr. Yogesh Samat is not related to any director(s) of the Company.

The Board recommends the passing of the resolution as set out at Item No. 7 of the notice of the AGM as an Ordinary Resolution and Item No. 8 of the notice of the AGM as Special Resolution.

#### **Item No. 9 :**

On the recommendation of the Audit Committee, the Board of Directors at its meeting held on June 30, 2021 re-appointed M/s V. J. Talati & Co., Cost Accountants as Cost Auditors of the Company to conduct the audit of cost records of the Company and all other connected / incidental matters for the financial year ending March 31, 2022 at an aggregate professional Fees upto Rs. 1,60,000/- p.a. (Rupees One Lac Sixty Thousand only) or such other fees as may be decided by the Board from time to time plus Service Tax and actual out of pocket expenses incurred in connection with the Audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the notice of the AGM for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.

None of the directors, Key Managerial Personnel of the Company and their relatives is / are, in any way, concerned or interested, financially or otherwise, in the proposed resolution. The Board recommends the passing of resolution as set out at Item No. 9 of the notice of the AGM as an Ordinary Resolution.

## LISTING REQUIREMENTS

As required under regulation 36(3) of SEBI Listing Regulations and Secretarial Standard on General Meetings (SS - 2), given below are the details of the directors :

### DIRECTOR RETIRING BY ROTATION, RE-APPOINTMENT AND APPOINTMENT OF DIRECTORS

- A. Name :** **MR. UMESHKUMAR MORE**  
**Age :** 72 Years [Date of Birth : 04-11-1948]  
**Qualifications :** Diploma in Auto Engineering

Mr. Umeshkumar More is associated with the Company since July 17, 1969 and is a Whole-time Director and Executive Chairman of the Company. He has got experience of more than 50 years in various fields in different types of industries. As on date, he is mainly responsible for the strategic planning, business growth, development, expansion and diversification, both at national and international level.

Mr. Umeshkumar More is related to Mr. Nirajkumar More - Managing Director of the Company.

- Directorship in other Company :** Growel Corporate Management Limited,  
Poona Bottling Company Private Limited  
**Committee Memberships :** Nomination & Remuneration Committee  
**Designated Partner :** Radhakishan Nandlal LLP,  
Bubna More & Company LLP,  
Waluj Beverages LLP,  
Growel Projects LLP  
**Shareholding in the Company :** 2,28,05,999 Equity Shares of Re. 1/- each.

- B. Name :** **MR. ROHITKUMAR MORE**  
**Age :** 48 Years [Date of Birth : 07-01-1973]  
**Qualifications :** B.E. - Mechanical  
**Expertise :** Business Management and Control.

Mr. Rohitkumar More is associated with the Company since March 14, 2003 and is a Whole-time Director of the Company based at Pune, looking after the business and operations of the Engineering Division of the Company. He has an experience of over 28 years of business operations, control and management.

Mr. Rohitkumar More is not related to any of the directors of the Company.

- Directorships in other Company :** Poona Bottling Company Private Limited,  
Growel Sidasa Industries Private Limited,  
Grauer & Weil Engineering Private Limited,  
Growel Softech Private Limited,  
Digikore Studios Private Limited  
**Designated Partner :** Digikore Travels LLP,  
Digikore Design LLP  
**Committee Memberships Company :** NIL  
**Shareholding in the Company :** 9,300 Equity Shares of Re. 1/- each

- C. Name :** **MR. NIRAJKUMAR MORE**  
**Age :** 51 Years [Date of Birth : 03-11-1969]  
**Qualifications :** B.B.A - Graduate  
**Expertise :** Business Administration, Management and Control.

Mr. Nirajkumar More is associated with the Company Since August 12, 1993. He has an experience of about 28 years in various fields in different types of industries. He was appointed as Managing Director of the Company on November 1, 2008.

Mr. Nirajkumar More is not related to any of the Directors of the Company except Mr. Umeshkumar More.

<b>Directorships in other Company</b>	:	Ridhi Sidhi Limited Growel Sidasa Industries Private Limited Growel Corporate Management Private Limited Grauer & Weil Engineering Private Limited
<b>Designated Partner</b>	:	Waluj Beverages LLP
<b>Committee Memberships</b>	:	Audit Committee Stakeholders Relationship Committee CSR Committee Risk Management Committee (w.e.f. July 1, 2021)
<b>Shareholding in the Company</b>	:	1,78,52,106 Equity Shares of Re. 1/- each

- D. Name** : **MR. SHASHIKANT KESHAV SAKHALKAR**  
**Age** : 67 Years [Date of Birth : 14-11-1953]  
**Qualifications** : B.Com (Hons.), M.Com, PGD in Comp. Science and IR & Personnel Management

Mr. Shashikant Keshav Sakhalkar has expertise in business administration, management and control apart from the human resource management and development. He has an experience of over 45 years in manufacturing and service industries like Textile, Metal Finishing Chemicals, Engineering, Fertilizers, Textile Dyes & Chemicals, Paints, IT and Banking at various levels in Public, Private and Multinational Companies.

Mr. Sakhalkar is not related to any of the Directors of the Board of Company.

<b>Directorships in other Company</b>	:	NIL
<b>Committee Memberships</b>	:	NIL
<b>Shareholding in the Company</b>	:	19,100 Equity Shares of Re. 1/- each.

- E. Name** : **MR. YOGESH SAMAT**  
**Age** : 57 Years [Date of Birth: 02-08-1963]  
**Qualifications** : MBA, CFA  
**Expertise** : Business Management and Consultancy.

Mr. Yogesh Samat is MBA from IIM (Bangalore) & CFA having wide exposure of Business Management, Administration and Management Consultancy.

He has worked with Hindustan Unilever Limited and many other well known Companies and also as CEO of Inorbit Mall and as Independent Director of the Company.

Mr. Yogesh Samat is not related to any of the directors of the Board of Company.

<b>Directorships in other Company</b>	:	NIL
<b>Committee Memberships</b>	:	Stakeholders Relationship Committee (w.e.f. July 1, 2021) CSR Committee (w.e.f. July 1, 2021) Risk Management Committee (w.e.f. July 1, 2021)
<b>Shareholding in the Company</b>	:	7,000 Equity Shares of Re. 1/- each.

**Registered Office:**  
Growel Corporate,  
Akurli Road, Kandivli [East],  
Mumbai - 400 101

Date : June 30, 2021

**For & on behalf of the Board of**  
**Grauer & Weil (India) Limited**

**Nirajkumar More**  
**Managing Director**  
**DIN : 00113191**

**Vinod Haritwal**  
**CEO & Whole-time Director**  
**DIN : 00112862**

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Your directors take pleasure in presenting the 63<sup>rd</sup> Annual Report on the business and operations of your Company, along with the Audited Financial Statements of the Company for the financial year ended March 31, 2021. The economic contraction in first half of the financial year 2020-21 due to Covid – 19 lockdown was very challenging. The Company has witnessed gradual recovery in the domestic demand in all the manufacturing segments of the business. The financial highlights of the Company for FY 2020-21 are given below :

### I. FINANCIAL RESULTS

Particulars	2020-21 Rupees in Lacs	2019-20 Rupees in Lacs
Gross total revenue	<b>66,940.89</b>	68,427.98
Net revenue	<b>61,952.54</b>	62,892.30
Earnings before interest, depreciation, tax & amortizations (EBIDTA before exceptional item)	<b>11,554.20</b>	10,831.78
Profit before tax	<b>9,506.00</b>	9,536.30
Provision for tax (Current & Deferred tax)	<b>2,542.85</b>	1,956.87
Net profit after tax	<b>6,963.15</b>	7,579.43

### 2. OPERATIONS

During the year under review, Company recorded a (-1.5%) de-growth in Net Revenues. Earnings before interest, depreciation, tax (EBITDA) and exceptional items, registered a growth of 6.7%, however, the Net profit after tax of the Company declined by 8.1%.

Detailed discussion and review of the business operations and performance of all the segments of the Company including future outlook, opportunities, threats, exports etc. is covered under the Management Discussion and Analysis Report and forms an integral part of this report.

### 3. COVID-19 AND ITS IMPACT

The first wave of COVID-19 adversely impacted the performance of the Company in the first quarter of the financial year 2020-21, however, the remaining three quarters witnessed quick and impressive recovery. Unfortunately, our country faced the second wave of the COVID-19 pandemic from April 2021, which may result into a sizeable adverse risk for the businesses in the coming year and further ahead.

Due to the nationwide lockdown and various other restrictions imposed by the Central and State Governments, demand has been suppressed in the fiscal first half of the coming year. The gradually easing off of Covid-19 restrictions is likely to improve the situation in the balance part of the year unless more waves and lock-downs are faced.

The Management has been closely reviewing the impact of COVID-19 on the business and financial status of the Company. As per the directives of the Governments and to protect the employees, your Company had to temporarily suspended or curtail its operations at its corporate office, mall, branch offices and technical service centers. The operations at offices have since resumed with all safety measures including social distancing. Growel's IOI Mall is not yet opened except for the grocery and food section of Big Bazar and 'take-away counters' of a few food outlets. Dispatches of Company's products to customers' have continued though at a much lower scale.

The Company's management currently believes that this financial year is likely to be adversely impacted due to COVID-19. The duration of the impact being uncertain at this stage. The management is unable to quantify the short or long-term risk, however, it is expected, that the same is not likely to affect the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

### 4. MANAGEMENT DISCUSSION AND ANALYSIS

In terms of regulation 34(2)(e) of the SEBI Listing Regulations, 2015 read Paragraph B of Schedule V of the SEBI Listing Regulations, a detailed review, analysis and discussion on the operations, performance and future outlook of the Company, industry structure, different product groups of the Company, operational performance of its various business segments and its business is given in the Management Discussion and Analysis Report which forms part of this Annual Report under the heading 'Management Discussion and Analysis' attached as **Annexure 'A'**.



## 5. DIVIDEND

Your Directors are pleased to inform all the members that your Company has a consistent track-record of dividend payment for last 24 years and is almost regular in dividend payments from the date of Incorporation i.e. for last over 6 decades. The Board of Directors in its meeting held on June 30, 2021, has recommended a dividend of Re. 0.50 per fully paid-up equity share on 22,67,05,750/- equity shares of face value of Re. 1/- each for the financial year ended March 31, 2021 (Previous year Rs. 0.50 per equity share as an Interim Dividend).

The dividend on equity shares is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. The dividend once approved by the shareholders will be paid to all the shareholders whose name are appears on the Records date. The total dividend payout for the financial year 2020-21 shall be approx. Rs. 11.34 Crores.

The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2021 to September 29, 2021 (both days inclusive) for the purpose of payment of dividend for the financial year ended March 31, 2021 and the Annual General Meeting.

As per section 194 of Income Tax Act, a Company is required to deduct TDS @ 10% on dividend payment if it exceed Rs. 5,000/-. However, no TDS shall be deducted in the case of any dividend payment to Life Insurance Corporation, General Insurance Corporation of India, any other insurer and Mutual Funds specified u/s 10(23D) of Income Tax Act.

SEBI vide Notification No. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021, amended SEBI Listing Regulations, whereby it is required to formulate the Dividend Distribution Policy. The Board of Directors in its meeting held on June 30, 2021 framed and approved a Dividend Distribution Policy of the Company, which can be accessed at the Company's website under the following weblink : [www.growel.com/subpage/policies](http://www.growel.com/subpage/policies).

## 6. MATERIAL CHANGE

In terms of Section 134(3)(l) of the Companies Act, 2013, no material changes and commitments have occurred that affect the financial position of your Company between the close of the financial year of the Company on March 31, 2021 to which the financial statements relate and up to the date of this report. Further there has been no change in the nature of business of the Company.

## 7. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant material orders passed by the regulators / courts / tribunals, which would impact the going concern status of the Company and its future operations.

## 8. SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on March 31, 2021 remains unchanged at Rs. 22,67,05,750/- comprising of 22,67,05,750 equity shares of Re. 1/- each. During the year under review, Company has neither issued shares with differential voting rights, nor granted stock options, nor sweat equity shares and none of the directors of the Company hold any convertible instruments as on March 31, 2021.

## 9. TRANSFER TO RESERVE

The Company proposes to transfer Rs. 60 Crores to General Reserves and balance profit will remain in the profit and loss account.

## 10. CORPORATE GOVERNANCE

The Company has complied with the requirements of Corporate Governance as stipulated under regulation 34 and Schedule V(C) of SEBI Listing Regulations and accordingly, the Report on Corporate Governance forms part of this Annual Report. The requisite certificate from the Statutory Auditors of the Company confirming compliance with the conditions of the Corporate Governance is attached to the Report on Corporate Governance as **Annexure 'B'**.

## 11. SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS & RETURN ON NET WORTH:

There is no significant change (i.e. 25% or more) in any of the financial ratios viz., Debtors Turnover, Inventory Turnover, Interest Coverage Ratio, Current Ratio, Debt Equity Ratio, Operating Profit Margin, Net Profit Margin and Return on Investment.

## 12. CORPORATE SOCIAL RESPONSIBILITY

The Company believes that Corporate Social Responsibility (CSR) projects undertaken by it should be sustainable with the purpose of improving the quality of living for the less privileged.

Your Company under its CSR initiatives covers healthcare, sanitation, education & vocational training, environment sustainability, promoting sports, art, culture and other miscellaneous projects on need basis that are important to maintain social license to operate the business. These projects are covered under Schedule VII of the Companies Act, 2013.

The Board of Directors of the Company has approved a Corporate Social Responsibility (CSR) Policy based on the recommendation of the CSR Committee, constituted by the Board of Directors and the same has been posted on the website of the Company at [www.growel.com](http://www.growel.com). In terms of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, Annual Report containing the brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year is annexed to this Report as **Annexure 'C'**.

The terms of reference of CSR Committee, number and dates of meetings held, composition and attendance of the directors during the financial year ended March 31, 2021 are given separately in the Corporate Governance Report.

As per the provisions of Section 135 of the Companies Act, 2013, during the year under review, the Company was required to spend Rs. 185.53 Lacs towards CSR activities / projects and had spent an amount of Rs. 71.42 Lacs till March 31, 2021 mostly Covid Pandemic mitigation. In terms of amendment to Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ('CSR Rules, 2021') effective from January 22, 2021, the Board of Directors of the Company identified Ongoing Project up to Rs. 114.11 Lacs and decided to deposit the same in a separate Bank account opened with a Scheduled Bank in Compliance with CSR Rules, 2021 for the CSR identified projects.

In line with Company's objective under its CSR policy to support the society at a large, the Company has distributed cooked food and food grains to the people affected by lockdown due to COVID-19 especially the less privileged people located nearby locations of the Company and also contributed Rs. 55.00 Lacs towards PM Care fund. As a responsible Corporate citizen, Company has also contributed Rs. 33.00 Lacs towards Covid relief funds of the State Governments, though the same are not covered under CSR activities as per Schedule VII of the Companies Act, 2013.

## 13. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a robust internal control framework, which has been developed considering the nature, size and risks in the business. The Internal control have been designed to provide reasonable assurance with regard to credibility of data and compliances, inter-alia :

- a. Recording and providing reliable financial and operational information;
- b. Complying with the applicable statutes;
- c. Safeguarding assets from unauthorized use;
- d. Executing transactions with proper authorization and ensuring compliance with corporate policies;
- e. Prevention and detection of frauds / errors;
- f. Continuous updating of IT systems.

To supplement the internal control mechanism, the Company has appointed an external independent internal audit agency viz. M/s M. M. Nissim & Co. LLP, Chartered Accountants, to carry out concurrent internal audit at all its locations. The Audit Committee of the Board of Directors reviews the internal control systems on a regular basis and consults the Internal and Statutory Auditor of the Company to improve their effectiveness besides verifying statutory compliances. The Audit Committee meets periodically to discuss findings of the internal auditors along with the remedial actions that have been recorded or have been taken by the management to address weaknesses of the system. The Board observed that during the financial year, no material or serious observations have been received from the Internal Auditors of your Company regarding inefficiency or serious lapses of such controls.

The Company also has a system of regular internal audit carried out by Internal Auditors. M/s M. M. Nissim & Co. LLP, Chartered Accountants, who report directly to the Board of Directors / Audit Committee / Chairman of the Company. The internal audit programme is approved by the Audit Committee and findings of the internal auditor are placed before the Audit Committee at regular intervals.

The management has assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2021. The Audit Committee reviewed the reports submitted by the Management and Internal Auditors and based on their evaluation (as defined in Section

177 of the Companies Act, 2013 and regulation 18 of SEBI Listing Regulations, 2015), the Company's Audit Committee has concluded that, as of March 31, 2021, the Company's internal financial controls were adequate and operating effectively.

The Company has adopted the compliance management tool recently to ensure timely compliance of legal, financial, environmental, labour and all other applicable relevant regulations.

#### 14. RISK MANAGEMENT

In today's challenging and competitive environment, mitigating risks is imperative. Common risks include changing regulations, competition, business risk, technology obsolescence, fluctuation in raw material prices and retention of talent. Business risk, inter alia, further includes financial risk, social risk, political risk, environmental risk and legal risk. For managing risks more efficiently, the Company has undertaken a detailed risk management exercise which inter-alia includes identification, assessment and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor and control the probability and / or impact of uncertain events or to maximize the realization of opportunities. Risk management also attempts to identify and manage threats that could severely impact or bring down the organization.

Audit Committee and Internal Auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported in the Audit Committee Meeting. There are no risks, which in the opinion of the Board threaten the existence of the Company.

As per Companies Act, 2013 and regulation 21 of SEBI Listing Regulations, 2015, Company is now required to form a Risk Management Committee which has been constituted in the Board Meeting held on June 30, 2021.

#### 15. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Vigil Mechanism of the Company which also incorporate a whistle blower policy in terms of Section 177 of the Companies Act, 2013 and regulation 22 of the SEBI Listing Regulations, 2015 deals with the report of genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy and grievances, if any. The policy provides adequate safeguards against victimization of persons who use the Whistle Blower mechanism and provides to employees' direct access to the Chairman of the Audit Committee.

The Policy on Vigil Mechanism and Whistle Blower Policy is reviewed by the Audit Committee from time to time and no concerns or irregularities have been reported by employees / directors during the financial year ended March 31, 2021. The policy may be accessed on the Company's website at [www.growel.com](http://www.growel.com).

#### 16. ANNUAL RETURN

Pursuant to Section 92 of the Companies Act, 2013, read with the applicable rules, the Annual Return for the year ended March 31, 2021 can be accessed on the Company's website at [www.growel.com](http://www.growel.com).

#### 17. FIXED DEPOSITS

The Company has neither accepted any deposit within the ambit of Section 73 and 74 of the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014 nor have any outstanding public deposits accepted prior to the commencement of the said Act and therefore the disclosure pursuant to rule 8(5)(v) & (vi) of Companies (Accounts) Rules, 2014, is not applicable to the Company.

#### 18. LOANS, GUARANTEES AND INVESTMENTS

Pursuant to the provisions of Section 186 of the Companies Act, 2013, the details of Particulars of loans given, investments made, guarantees given and securities provided and subsisting as on the close of the financial year 2020-21 along with the purpose for which the loan or guarantee or security is proposed to be utilized are provided in the notes to the financial statements forming part of Annual Report.

#### 19. RELATED PARTY TRANSACTIONS

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any contracts / arrangements / transactions with related parties which could be considered as material in accordance with the policy of the Company on materiality of related party

transactions. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC - 2 is not applicable to your Company.

The Policy on materiality of related party transactions and dealing with related party transactions are approved by the Board and can be accessed on the Company's website under the following weblink : [www.growel.com/subpage/policies](http://www.growel.com/subpage/policies). The details of transactions / contracts / arrangements entered by the Company with Related parties during the financial year are set out in the Notes to the financial statement.

The Board of Directors of the Company has approved the criteria for making the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and proposed to be entered in the ordinary course of business and at arm's length during the financial year. All related party transactions are placed before the Audit Committee for review and approval.

## **20. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **a. Retirement by rotation - Mr. Umeshkumar More**

In terms of the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Umeshkumar More (DIN : 00112662), Whole-time Director designated as Chairman of the Company, is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

In accordance with the provisions of Companies Act, 2013, rules made thereunder, the SEBI Listing Regulations and the Articles of Association of the Company, Additional Director, Independent Directors and the Managing Director of the Company are not liable to retire by rotation.

### **b. Resignation of Mrs. Aarti Shah as Independent Director**

During the year under review, due to pre-occupation with other vocation and family matters, Mrs. Aarti Shah – Independent Director of the Company resigned effective from February 11, 2021. The Board of Directors placed on record its appreciation for the invaluable contribution made by her during her stint with the Company as an Independent Director.

### **c. Resignation of Mr. Vinod Haritwal as a Whole-time Director**

During the year under review, Mr. Vinod Haritwal, Chief Operating Officer (CEO) & Whole-time Director was superannuated and hence he resigned as a director and Whole Time Director of the Company effective from July 1, 2021, however, he will continue as CEO of the Company. The Board of Directors placed on record its appreciation for the invaluable contribution made by him during his stint with the Company as a director.

### **d. Appointment of Mr. Shashikant Keshav Sakhalkar as Independent Director**

On the recommendation of the Nomination and Remuneration Committee and pursuant to provisions of Section 161 of the Companies Act, 2013, the Board of Directors at its meeting held on February 11, 2021 appointed Mr. Shashikant Keshav Sakhalkar (DIN : 00695661) as an Additional Director (Non-Executive Independent Director) of the Company with effect from February 11, 2021 to hold office till the date of ensuing Annual General Meeting and is eligible for appointment as a director of the Company.

Mr. Sakhalkar is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 and has also satisfies the criteria for being an Independent Director of the Company and has given his consent to act as an Independent Director. He has given a declaration to the Company of his independence as required under Section 149(7) of the Companies Act, 2013. In pursuance of Section 149(10) of the Companies Act, 2013 and subject to approval of the shareholders in the ensuing Annual General Meeting of the Company to be held on September 29, 2021, Mr. Sakhalkar has been appointed as an Independent Director for a term of 5 (Five) years with effect from February 11, 2021 upto and including February 10, 2026, not liable to retire by rotation. A resolution in this behalf is set out in the notice of Annual General Meeting, for members' approval.

### **e. Re-appointment of Whole-time Directors**

As recommended by the Nomination and Remuneration Committee and on such terms and conditions including the remuneration payable to them and the minimum remuneration payable to them in the event of absence or inadequacy of profits in any years and subject to the approval of members of the Company at the ensuing Annual General Meeting, the Board of Directors of the Company have approved the re-appointments of



- i) Mr. Rohitkumar More (DIN : 00139797) as a Whole-time Director of the Company for a period of 5 (Five) Years w.e.f. April 1, 2022.
- ii) Mr. Nirajkumar More (DIN : 00113191) as a Managing Director of the Company for a period of 5 (Five) Years w.e.f. July 01, 2022.

#### **f. Appointment of Mr. Yogesh Samat as a Whole-time Director**

On the recommendation of the Nomination and Remuneration Committee and pursuant to provisions of Section 161 of the Companies Act, 2013, the Board of Directors at its meeting held on June 30, 2021 appointed Mr. Yogesh Samat (DIN : 00717877) as an Additional Director of the Company with effect from July 1, 2021 to holds office till the date of ensuing Annual General Meeting. He is eligible for appointment as a director of the Company. Mr. Samat is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a director.

Subject to approval of the shareholders in the ensuing Annual General Meeting of the Company to be held on September 29, 2021, Mr. Samat has been appointed as a Whole-time Director for a term of 5 (Five) years with effect from July 1, 2021 upto and including June 30, 2026, liable to retire by rotation. A resolution in this behalf is set out in the notice of Annual General Meeting, for members' approval.

Brief profile and other details of the directors being appointed / re-appointed as required under regulations 36(3) of SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings, are provided in the notice of Annual General Meeting forming part of the Annual Report.

#### **g. Independent Directors**

The Company has a Familiarization program for its Independent Directors. At the time of appointing New Non-Executive Director, a formal letter of appointment is given to them, which inter alia explains their role, function, duties and responsibilities in the Company. Executive Directors provide an overview of Company's business operations to new Non-Executive Directors. The director is also explained in detail the Compliance required from him under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation to be obtained. Further on an ongoing basis as a part of agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiary's business and operations, industry and Company's outlook, strategy, finance and other relevant matters. The details of the familiarization program for directors is available on the Company's website at [www.growel.com](http://www.growel.com).

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 as well as regulation 16(1)(b) of the SEBI Listing Regulations, 2015. In terms of regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

#### **h. Policy on appointment and remuneration of directors**

The Company has devised the Nomination and Remuneration Policy for the selection, appointment and remuneration of directors, Key Managerial Personnel and also of other employees including senior management employees, who have the capacity and ability to lead the Company towards achieving sustainable development. The same is available on website of Company ([www.growel.com/subpage/policies](http://www.growel.com/subpage/policies)). The extract of Nomination and Remuneration Policy is provided in the Corporate Governance Report and forms part of Board's Report.

#### **i. Performance evaluation**

Pursuant to the provisions of the Companies Act, 2013, SEBI Guidance Note on Board evaluation issued on January 5, 2017, relevant provisions of the SEBI Listing Regulations and based on evaluation criteria defined by Nomination and Remuneration Committee (NRC) for performance evaluation, the Board has carried out an annual evaluation of its performance, performance of the Committees and individual directors. The Board evaluated the effectiveness of its functioning, that of the Committees and of individual directors, after taking feedback from the directors and committee members.

The performance of the independent directors was evaluated by the entire Board except the person being evaluated, in their meeting held on July 29, 2020. The performance assessment of Non-Independent Directors, Board as a whole and the Chairman was carried out in a separate meeting of Independent Directors.

**j. Meeting of Board and Committee**

The Board Meetings of your Company are planned in advance in consultation with the Board Members. During the financial year ended March 31, 2021, the Board of Directors met four times to review strategic, operational and financial performance of the company. The details of Board Meetings are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

**k. Board Committees**

The Board of Directors has constituted various committees such as Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. During the year, 4 (Four) meetings of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

The details of composition, terms of reference, numbers of meetings held during the year and other related details pertaining to these committees are mentioned in the Corporate Governance Report.

**l. Key Managerial Personnel**

Pursuant to Section 203 of the Companies Act, 2013, following are the Key Managerial Personnel of the Company :

1. Mr. Nirajkumar More - Managing Director (DIN : 00113191);
2. Mr. Vinod Haritwal – CEO & Whole-time Director (DIN : 00112862);
3. Mr. Gurinder Singh Gulati – Chief Financial Officer (FCA No. : 90728)
4. Mr. Chintan K. Gandhi - Company Secretary (ACS No. : 21369)

During the year under review, there has been no change in the Key Managerial Personnel of the Company.

**21. POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

Your Company is committed to creating and maintaining a secure work environment where its employees, agents, vendors and partners can work and pursue business together in an atmosphere free of harassment, exploitation and intimidation. To empower women and protect women against sexual harassment and as per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (“POSH Act”) and Rules made thereunder, a policy for prevention of sexual harassment had been made and Internal Complaints Committee had been set up. During the year under review, there were no complaints reported to the Board.

As on March 31, 2021, Company has been employing about 89 women employees / full time consultant in various cadres.

**22. BUSINESS RESPONSIBILITY REPORT**

The Company is committed to the principles enshrined in the Guidelines on Social, Environmental and Economic Responsibilities of Business notified by the Government of India. The Board has authorized director and appointed head for implementation of ‘Business Responsibility Reporting’ (BRR) with the scope of :

- a. To review the BRR Policy from time to time and to modify the same as required,
- b. To monitor the preparation of the BRR in the format as prescribed by SEBI,
- c. To undertake all other steps and actions that are incidental to BRR.

The Board review the performance of the BRR policy and its effectiveness from time to time.

As mandated by Regulations 34(2)(f) of SEBI Listing Regulations, Business Responsibility Report of the Company for the year ended March 31, 2021, describing the initiatives taken by the Company from an environmental, social and governance prospective, in the prescribed form is annexed as **Annexure ‘D’** and is also available on the Company’s website at [www.growel.com](http://www.growel.com).

## 23. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Sections 134(3)(c) and 134(5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability, confirm :

- a. that in the preparation of annual financial statements for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Note No. 1 of the Notes to the Financial Statements have been selected and applied consistently and judgment 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 on March 31, 2021 and of the profit of the Company for the year ended on that date;
- c. that 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. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## 24. SUBSIDIARY & ASSOCIATE COMPANIES

As on date, Company has 2 (Two) Overseas Subsidiaries viz. Grauer & Weil (Shanghai) Limited in China, and Growel Chemicals Co. Limited in Thailand and 3 (Three) Associates Companies viz. Grauer & Weil (Thailand) Co. Limited in Thailand, Grauer & Weil Engineering Private Limited (Previously known as Growel Goema (India) Private Limited) and Growel Sidasa Industries Private Limited. In April, 2020, Company made an application for striking off the name of one of the subsidiary Company viz. Grauer & Weil (UK) Limited in United Kingdom and same has been approved. During the year, the Board of Directors reviewed the affairs of Subsidiaries.

The Company does not have any material subsidiary as per the thresholds laid down under the SEBI Listing Regulations. Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial position of subsidiary companies in Form AOC - I is attached as annexure to consolidated financial statements of the Company.

## 25. CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the consolidated financial statements pursuant to the requirement of regulation 33 and 34 of the SEBI Listing Regulations read with other applicable provisions and prepared in accordance with Indian Accounting Standards (IND AS) 110 on 'Consolidated Financial Statements', for the financial year ended March 31, 2021.

## 26. AUDITORS AND AUDIT REPORTS

### a. Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the members of the Company at its 59<sup>th</sup> Annual General Meeting (AGM) held on September 25, 2017 had appointed M/s SCA and Associates, Chartered Accountants (ICAI Firm Registration No. 101174W) as Statutory Auditors of the Company for a term of 5 (Five) consecutive years to hold office from the conclusion of 59<sup>th</sup> AGM till the conclusion of the 64<sup>th</sup> AGM of the Company to be held in the calendar year 2022, subject to ratification by the shareholders every year.

Pursuant to amendments in Section 139 of the Companies Act, 2013, the requirements to place the matter relating to such appointment for ratification by members at every AGM, is not required. Hence, the resolution relating to ratification of Auditor's appointment is not included in the notice of the ensuing AGM. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company and they hold a valid certificate issued by the Peer Review Board of the ICAI.

### b. Cost Auditors

In terms of Section 148 of the Companies Act, 2013, the Company maintains cost records as per the requirement and a Cost Accountant conducts audit of said cost records. The Board of Directors of the Company has appointed M/s V. J. Talati & Co., Cost Accountants,

New Delhi as Cost Auditors of the Company for the financial year ending March 31, 2021. There is no qualification in the Cost Audit Report submitted by the Cost Auditor for the financial year 2019-20 and same was duly filed with Ministry of Corporate Affairs.

The Board of Directors of the Company has on the recommendation of the Audit Committee approved the re-appointment of M/s V. J. Talati & Co., Cost Accountants, as Cost Auditors of the Company for the financial year ending March 31, 2022, on remuneration as mentioned in the notice of 63<sup>rd</sup> Annual General Meeting.

A consent letter and certificate from M/s V. J. Talati & Co., Cost Accountants, has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Companies Act, 2013 and Rules framed thereunder.

A resolution seeking member's ratification for the remuneration payable to the Cost Auditor for the financial year 2021-22 forms part of the notice of 63<sup>rd</sup> Annual General Meeting and the same is recommended for your consideration and ratification.

### c. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company had appointed M/s GMJ & Associates, Firm of Practicing Company Secretaries, as the Secretarial Auditor for the year under review, to conduct the Secretarial Audit of the Company. The Secretarial Audit Report for the year under review issued by M/s GMJ & Associates is annexed to this Report as **Annexure 'E'**. There is no qualification or adverse remark in their Report.

Further, in terms of the provisions of the Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 issued by Securities and Exchange Board of India, the Company has obtained the Annual Secretarial Compliance Report for the financial year ended March 31, 2021, confirming compliance of the applicable SEBI Regulations and circulars / guidelines issued thereunder, by the Company.

The Board, on the recommendation of Audit Committee, has re-appointed M/s GMJ & Associates, Firm of Practicing Company Secretaries, as Secretarial Auditor of the Company for the financial year 2021-22.

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

The statement giving the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required in terms of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed to this Report as **Annexure 'F'**.

## 28. PARTICULARS OF EMPLOYEES

The Company has no employees, who draws the remunerations in excess of limits specified in Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The information required under Section 197(12) of the Companies Act, 2013 read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure 'G'**.

## 29. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has substantially and materially complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India, as amended from time to time.

## 30. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

### a) Transfer of Unclaimed Dividend to IEPF

Pursuant to Section 124 of the Companies Act, 2013 read with provisions of Investors Education & protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules 2016, all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more were already transferred by the Company in favour of Investor Education and Protection Fund (IEPF). The unclaimed dividend for the financial year 2012-13 have also been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government.



**b) Transfer of shares to IEPF**

As required under Section 124 of the Companies Act, 2013, 1,01,434 Equity Shares, in respect of which dividend has not been claimed by the members for 7 (Seven) consecutive years or more, have been, after giving individual notice to the concerned shareholders, whose shares were liable to be transferred to IEPF and after publishing newspaper advertisement, transferred to the IEPF Authority during the financial year 2020-21. Details of such shares transferred have been uploaded on the website of the Company, i.e. [www.growel.com](http://www.growel.com) and on the Ministry of Corporate Affairs.

**31. GREEN INITIATIVES**

Keeping in mind the COVID-19 pandemic situation and as per the government guidelines and as a part of Green Initiatives and going beyond it, to create further new green initiatives, electronic copy of the notice of 63<sup>rd</sup> Annual General Meeting of the Company including the Annual Report for the financial year 2020-21 are being sent to all the members, whose e-mail addresses are registered with the Company / Depository Participant(s).

**32. HEALTH AND SAFETY**

The Company continues to accord high priority to health and safety of all workers and employees of the Company at all manufacturing locations, plants and offices. During the year under review, the Company conducted safety training programmes for increasing awareness, disaster preparedness, fire-fighting training, fire mock drills and other trainings programmes among various employees at the plants and offices for safety awareness and preparedness.

**33. LISTING**

The equity shares of the Company are at presently listed with BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. The Company is regular in payment of listing fees.

**34. SIGNIFICANT BENEFICIAL OWNER**

Attention of the members is invited to the Companies (Significant Beneficial Ownership) Amendment Rules, 2019 issued by the Ministry of Corporate Affairs, whereby a person is considered as a 'Significant Beneficial Owner (SBO)', if he / she, whether acting alone, together or through one or more individuals or trust holds a beneficial interest of at least 10%. The beneficial interest could be in the form of a company's shares or the right to exercise significant influence or control over the Company. A shareholders holding shares in the Company on behalf of others or fulfilling the criteria as mentioned in the Companies (Significant Beneficial Ownership) Amendment Rules, 2019, is required to give a declaration specifying the nature of his / her interest and other essential particulars in the prescribed manner and within the permitted time frame.

**35. APPRECIATION**

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and areas as well as the efficient utilization of the Company's resources for sustainable and profitable growth.

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government authorities, customers, suppliers, distributors, agents, vendors, investors, business associates and communities in which the Company operates. The Board of Directors also wish to place on record its deep sense of appreciation for the dedicated and committed services by the Company's executives, staff and workers.

Last but not the least, your Directors wish to place on record their warm appreciation to you for your continuous support and encouragement.

**Registered Office :**

Growel Corporate,  
Akurli Road, Kandivli [East],  
Mumbai - 400 101

Date : June 30, 2021

**For & on behalf of the Board of  
Grauer & Weil (India) Limited**

**Nirajkumar More**  
Managing Director  
DIN : 00113191

**Vinod Haritwal**  
CEO & Whole-time Director  
DIN : 00112862

## **ANNEXURE – ‘A’: TO DIRECTORS’ REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **I. AN OVERVIEW OF BUSINESS PERFORMANCE**

During the financial year 2020-21, the Net Revenue of the Company de-grew marginally by 1.5% from Rs. 62,892.30 Lacs to Rs. 61,952.54 Lacs. The earnings before interest, depreciation and tax (EBITDA) and before exceptional items registered a growth of 6.7%, however, the Net profit after tax of the Company declined by 8.1%. This decline was due to an exceptional gain and deferred tax credit of Rs. 1294.55 Lacs in the previous year which were absent in the current year.

The business of the Company was adversely impacted by the COVID 19 pandemic in the first quarter of financial year 2020-21, however, the remaining three quarters witnessed quick and impressive recovery. Your Company was able to deliver a reasonable performance through a prudent strategy of cost control, dynamic product and customer management and product innovations. An overview of the performance of different business segments of the Company is as under :

- a) **Surface Finishing Segment** : The Surface Finishing Segment is the largest segment of the Company’s business. Its product portfolio includes specialty chemicals, paints & coatings and lubricant oils. The segment witnessed a decline of 1.1% from Rs. 53,666 Lacs to Rs. 53,056 Lacs in Net Revenue. Your Company’s leadership position in the plating chemical products continues unchanged despite growing intensity of competition from international Companies. Hence, the total revenue of this product group could be maintained at the same level as the previous year despite the challenges of the Pandemic. The Company was not able to maintain the high growth momentum of its Paint products due to the impact of the Pandemic, however, its market share in the concerned segments remained in-tact or grew. The lubricant products declined by 5.1%.
- b) **Engineering Segment** : This division supplies customized turnkey plants and their components for surface finishing, waste-water and effluent treatment and other engineering solutions. The Net revenue witnessed an impressive growth of 28% from Rs. 4,938 Lacs to Rs. 6,338.00 Lacs.
- c) **Mall Segment** : Company’s Mall at Kandivali in Mumbai was closed till the first week of August 2020 due to lock-down. The Company had to forego all revenue for the closure period. Post opening-up, almost all the Licensees renegotiated the License terms where the revenue earned by the Company from them was largely converted to revenue share plus common-area expenses and property tax. By the end of the year, the footfall gradually grew to about half of the pre-Covid levels and sales from the Mall recovered to about 70% of the pre-Covid levels. The Company suffered a significant decline of 63% in the Net Revenue from this division from Rs. 3,439 Lacs to Rs. 1,259 Lacs.

### **2. EXPORTS**

The Company’s emphasis on exports continued unchanged. As a result, despite the global challenges posed by the Pandemic, the export revenue grew impressively by 18.84%.

### **3. FINANCIAL PERFORMANCE**

The highlights of financial performance of the Company for the year under review are as under :

- a. The Net profit after tax for the year declined by 8.1% to Rs. 6,963.15 Lacs from Rs. 7,579.43 Lacs.
- b. The Company spent Rs. 1,847.24 Lacs in Capital expenditure during the year.
- c. The Company has no long-term loans or bank borrowings as at the end of the year. The only long-term liability on account of Hire Purchase declined from Rs. 20.06 Lacs to Rs. 16.16 Lacs.
- d. The Working capital (Net current assets) increased by Rs. 8,654.76 Lacs i.e. from Rs. 23,017.42 Lacs to Rs. 31,672.18 Lacs.

## e. Key Financial Ratios :

	FY 2020-21	FY 2019-20
Debtors turnover (days)	71	62
Inventory turnover (days)	51	58
Interest coverage Ratio	45	34
Current Ratio	2.75	2.54
Debt : Equity Ratio	0.04	0.04
Operating profit margin (%)	17.6%	16.1%
Net profit margin (%)	10.6%	11.3%
Return on Net worth	13.5%	17.0%

**4. OPPORTUNITIES, THREATS, RISKS, CONCERNS AND OUTLOOK**

In the main business segment of Surface Finishing, your Company faces stiff competition from domestic as well as international players. However, your Company's fundamental strengths of leadership in the chemical and engineering products in domestic market, ability to offer quality products at competitive prices, nimble footed customer response and innovative solutions in the areas of Paints and Lubricants, extensive distribution network, strong R & D, technical service and procurement strength, place it in relatively sound position. The Company actively interacts with its customers and delivers innovative new products and processes developed with the help of its technology partners or in its CSIR recognized state of the art R&D facilities.

The lockdowns imposed due to Covid - 19 are being lifted gradually. However, the significant decline in demand from customers and tight liquidity do pose challenges.

The anticipated strong growth in global economies present opportunities for the export business of the Company. The management is optimistic about the future due to your Company's strengths.

In the surface treatment area, business opportunities are rapidly arising from the defense and aviation sectors, which are expected to play a significant role, in the future of company's growth. The Vapi factory which was substantially damaged by a fire has been rebuilt and has just commenced trial production. In the absence of timely release of insurance claim by the insurance company, the Company had to deploy substantial own funds in this plant.

In the area of Paints, the infrastructure and rural development thrusts of Government's economic packages, new customer and product segments added in the previous year offer opportunities.

The Mall of the Company is still closed, although it is expected to re-open soon.

Financial year 2021-22 has started on an uncertain note with the economy witnessing decline in growth, hence it is difficult to predict the business volumes and profit margins.

**5. FUTURE PROSPECTS**

We expect the market conditions to remain challenging in the near future. The impact of Covid - 19 pandemic and the lockdowns on demand situation for industries across the Board is likely to restrict volumes. However, we remain optimistic and motivated for a healthy growth over the long term.

The Company has drawn up plans to retain or grow market share in all the product lines in its Surface Finishing segment.

While the Company is faced, with major challenges due to the COVID situation, it continues to invest and build on long term assets and strategies. Accordingly, it is proceeding with the plans to set up a new Paints plant and a new Technical Centre. Land for both has already been acquired. All wet operations of Company's R & D activity will be shifted to the new Technical Centre. The other expansion plans like the mall are pending suitable opportunity, in respect of market trends, administrative and statutory clearances. All these segments hold excellent prospects in the coming future.

**6. HUMAN RESOURCES**

Your Company's emphasis on Human Resources continues unchanged. New systems and measures for training, development and enhancement of quality and skills have been deployed. A new fully-equipped training centre has been setup at the Head Office. The Performance Measurement Systems and Individual Development areas have been strengthened. The Company completed implementation of Success Factor, an important HR module of its SAP ERP.

There were no material developments on human resources and industrial relations fronts. The relationship with employees and workers continued to be cordial.

**7. INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT FRAME WORK**

The Company has appropriate internal control systems and risk management frame-work commensurate with the size and nature of the Company's business. The Company has a system of regular internal audit carried out by an independent firm of Chartered Accountants. The internal control systems / frameworks are reviewed by the Top Management and by the Audit Committee of the Board and proper follow up actions are ensured wherever required.

**8. CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations, estimates or predictions, may be forward looking within the meaning of applicable Securities Laws and Regulations. Actual results may differ materially from those expressed in the statement. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, events or information.



## ANNEXURE – ‘B’ : TO DIRECTORS’ REPORT REPORT ON CORPORATE GOVERNANCE

### I. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE :

Corporate Governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders’ interests while conducting business. It can be presented as the combination of rules, processes or laws by which businesses are operated, regulated or controlled. The Company’s philosophy on Corporate Governance is aimed at assisting the management and the Board of Directors in efficient conduct of the business and in meeting its obligations to all stakeholders including shareholders, customers, suppliers, government regulators and management.

Corporate Governance is built on four pillars viz. transparency, accountability, integrity and fairness. The philosophy also includes adequate disclosure of information regarding its financial position, performance and other vital matters on a timely basis and insistence on strict adherence to the governance mechanism as laid down in the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’). These practices are intended to achieve balance between enhancement of stakeholder value and achievement of financial objective.

The Company continues to focus its resources, strengths and strategies to achieve the vision of becoming a Global leader while upholding the core values of Quality, Trust, Leadership and Excellence. The governance framework encourages the efficient utilisation of resources and accountability for stewardship. The Board considers itself as the custodian of trust and acknowledges its responsibilities towards stakeholders for wealth creation sustainably and responsibly.

The Company is in compliance with the requirements stipulated under regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46, read with Schedule V of SEBI Listing Regulations and Companies Act, 2013 as applicable, with regard to Corporate Governance and report are as under :

### 2. BOARD OF DIRECTORS :

#### a. Composition of Board of Directors

GROWELS’ Board of Directors along with its Committees provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well-informed Board with qualifications and experience in diverse areas. The Board composition is in conformity with regulation 17 of SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.

The Company’s Board has an optimum combination of Executive, Non-executive, Independent Directors including a Woman Director. The Board Members take an active part at the Board and Committee Meetings and provide valuable guidance to the Management on various aspects of business, governance and compliance, amongst others. The Board’s guidance provides foresight, enhances transparency and adds value in decision-making.

As on the date of this report, the Board consists of 8 (eight) directors comprising one Executive Chairman, 3 (three) Executive Directors and 4 (four) Non-executive Independent Directors including 1 (one) Woman Director. The position of the Chairman, Managing Director and the Chief Executive Officer of the Company are held by separate individuals. None of the directors of your Company are inter-se related to each other except Mr. Umeshkumar More and Mr. Nirajkumar More. The Composition of Board represents an optimal mix of professionalism, knowledge and experience that enables the Board to discharge its responsibilities and provide effective leadership to the business.

None of the directors on the Board holds directorships in more than seven listed entities during the year April 1, 2020 to March 31, 2021. Also no Independent Director serves as an Independent Director in more than seven listed entities and Whole-time Director and Managing Director of the Company doesn’t serve as an Independent Director in any listed entity. Further no director is a member of more than ten committees or chairman of more than five committees (committees being Audit Committee and Stakeholders Relationship Committee) across all the Public Companies in which they are directors. None of the directors held directorships in more than 20 Indian companies, with more than 10 public limited companies. Necessary disclosures regarding their Committee positions have been made by all the directors. All directors are in compliance with the limit on directorships / Independent Directorships of listed Companies as prescribed under regulation 17A of the SEBI Listing Regulations.

The Managing Director (MD) & Chief Executive Officer (CEO) are at the helm of operations and responsible for the Company's day-to-day operations. MD & CEO functions according to the guidance and direction provided by the Chairman and the Board and provides strategic directions, lays down policy guidelines and ensures the implementation of the decisions of the Board and its various Committees.

## b. Core Skills, Expertise and Competencies of the Board of Directors

The Company is engaged in the business of manufacturing of plant and products relating to surface finishing and in the business of shoppertainment. Your Executive, Non-executive including Independent Directors are well qualified, experienced and renowned persons from the fields of manufacturing, finance, taxation, management, governance, technology, R & D, Information Technology, Human Resources amongst others. The directors possess diverse knowledge, expertise, competencies which enables them to adequately discharge the entrusted roles, responsibilities and functions and effective leadership to the business for long term value creation for all stakeholders.

## c. Board Meeting and attendance

The Board normally meets atleast once in a Quarter, inter alia, to discuss and decide on Company / business policies and strategies, review quarterly standalone and consolidated financial results / statements, apart from other Board businesses. During the financial year 2020-21, 4 [four] Board Meetings were held on July 29, 2020, September 7, 2020, November 12, 2020 and February 11, 2021. In case of business exigencies, the Board's approval is taken through circular resolution/s. The circular resolution/s are noted at the subsequent Board Meeting.

The Board of Directors reviews compliance of applicable laws, rules and regulations on quarterly basis. The Company places all information, as and when applicable, as specified in Part A of Schedule II of the SEBI Listing Regulations before the Board of Directors. Agenda of the meeting of the Board of Directors / Committees are circulated amongst the directors / invitees well in advance as per the requirements of the Secretarial Standards - I issued by the Institute of Company Secretaries of India, in a structured format except unpublished price sensitive information. All material information is incorporated in the agenda to facilitate meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the agenda, the same is tabled before the meeting. The Board has unrestricted access to all Company related information.

The Company adheres to the provisions of the Companies Act, 2013 and the rules made thereunder, Secretarial Standards and SEBI Listing Regulations with respect to convening and holding of the meetings of the Board of Directors, its Committees and the General Meetings of the shareholders of the Company. The Company Secretary attends all the meetings of the Board and its Committees and is, inter alia, responsible for recording the minutes of such meetings.

The names and categories of the directors on the Board, their attendance at Board Meetings held during the financial year 2020-21 and at the last Annual General Meeting (AGM) and the number of directorships and committee chairmanships / memberships held by them in other public limited companies as on March 31, 2021 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act.

Name of directors	Category	No. of Board Meetings attended	Attendance at Last AGM	No. of other directorships held	Outside Committee Positions held
Mr. Umeshkumar More	Chairman	3	Yes	1	---
Mr. Nirajkumar More	Managing Director	4	Yes	2	---
Mr. Vinod Haritwal	CEO & Whole-time Director	4	Yes	---	---
Mr. Rohitkumar More	Whole-time Director	4	Yes	---	---
Mr. Suresh Pareek	Non-executive & Independent Director	3	Yes	---	---
Mr. Tarun Kumar Govil	Non-executive & Independent Director	4	Yes	---	---
Ms. Aarti Shah (Upto 11-02-2021)	Non-executive & Independent Director	4	Yes	---	---

Name of directors	Category	No. of Board Meetings attended	Attendance at Last AGM	No. of other directorships held	Outside Committee Positions held
Ms. Purna Sonthalia Goradia (From 29-07-2020)	Non-executive & Independent Director	3	Yes	---	---
Mr. Shashikant Keshav Sakhalkar (From 11-02-2021)	Non-executive & Independent Director (Additional Director)	1	---	---	---

**d. Reappointment of director retiring by rotation**

As per the provisions of the Companies Act, 2013 and in terms of Articles of Association of the Company, Mr. Umeshkumar More, Chairman & Whole-time Director of the Company, retire by rotation and being eligible, has offered himself for re-appointment. As required under regulation 36(3) of the SEBI Listing Regulations, brief profile of the director, forms part of the notice of the Annual General Meeting and is annexed to this Annual Report.

**e. Re-appointment of director**

The term of appointment of Mr. Rohitkumar More as a Whole-time Director of the Company expires on March 31, 2022. Pursuant to the recommendation of the Nomination and Remuneration Committee of the Board and after considering performance and instrumental role of Mr. Rohitkumar More in the overall day to day management, control and growth of Engineering Division of the Company, the Board of Directors proposes re-appointment of Mr. Rohitkumar More for a further period of Five (5) years commencing from April 1, 2022.

The term of appointment of Mr. Nirajkumar More as a Managing Director of the Company expires on June 30, 2022. Pursuant to the recommendation of the Nomination and Remuneration Committee of the Board and after considering performance and instrumental role of Mr. Nirajkumar More in the overall day to day Administration, management and control of the Company, the Board of Directors proposes re-appointment of Mr. Nirajkumar More for a further period of Five (5) years commencing from July 1, 2022.

Brief resumes of Mr. Rohitkumar More and Mr. Nirajkumar More along with all other details, as stipulated under regulation 36(3) of SEBI Listing Regulations forms part of the notice of the Annual General Meeting and is annexed to this Annual Report.

**f. Regularisation of Additional Director :**

In accordance with the provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and on the approval of the Board, Mr. Shashikant Keshav Sakhalkar (DIN : 00695661) was appointed as an Additional Director of the Company with effect from February 11, 2021 to hold office upto the date of next Annual General Meeting. Accordingly, Mr. Shashikant Keshav Sakhalkar shall hold office up to the date of the ensuing Annual General Meeting and is eligible for re-appointment.

**g. Appointment of Mr. Yogesh Samat as Whole-time Director :**

In accordance with the provisions of Section 161 of the Companies Act, 2013 and Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and on the approval of the Board by passing Resolution in the Board Meeting held on June 30, 2021, Mr. Yogesh Samat (DIN : 00717877) was appointed as an Additional Director of the Company with effect from July 1, 2021 to hold office upto the date of next Annual General Meeting.

Further, the Board, on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members at the forthcoming Annual General Meeting and subject to such other approvals, consents and sanctions as may be necessary and further subject to such terms, conditions, stipulations and restrictions as may be imposed by the authorities while granting such approvals, consents and sanctions, appointed Mr. Yogesh Samat (DIN : 00717877) as a Whole-time Director of the Company for a period of 5 (Five) Years w.e.f. July 1, 2021.

Accordingly, Mr. Yogesh Samat shall hold office up to the date of the ensuing Annual General Meeting and is eligible for re-appointment.

#### **h. Information supplied to the Board**

The Board is routinely presented with all the information as required under Part A of Schedule II of SEBI Listing Regulations, whenever applicable and materially significant, either as part of the agenda of Board Meetings or are placed during the course of the meeting, including the following :

- Quarterly standalone and consolidated financial statements of the Company and its operating divisions.
- Minutes of meeting of Board and its Committees.
- Annual operating plans of business, capital budgets and updates.
- Updating on changes in Senior Officers of the Company, just below the Board level.
- Notices of Interest.
- Compliance certificate regarding compliances of applicable acts, laws, rules, regulations etc.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents or dangerous occurrences.
- Details of any Joint Venture or Collaboration Agreement.
- Sale / dispose of materials, investments, subsidiaries, assets which are not in the normal course of business.
- Write off of debtors, stocks, investments, assets etc.
- Foreign Exchange exposure and the steps taken by the Management to limit the risk of adverse exchange rate movements.
- Any materially significant effluent or pollution problems.
- Any issue which involves possible public or product liability claims of a substantial nature.
- Significant developments in the human resource and industrial relations fronts.
- Details of CSR activities carried out etc.

#### **i. Chart / matrix setting out the skills / expertise / competence of the Board of Directors**

The Board of the Company is highly structured to ensure a high degree of diversity by age, education / qualifications, professional background, sector expertise and special skills. Details of the skills / expertise / competencies possessed by the directors who were part of the Board as on March 31, 2021, are as follows:

Expertise	Name of directors
Global Business, Leadership, Management, Strategy, Administration, Understanding of industry and operations, Governance	Mr. Umeshkumar More, Mr. Nirajkumar More, Mr. Vinod Haritwal, Mr. Suresh Pareek, Mr. S. K. Sakhalkar, Mr. Rohitkumar More
Finance, Law, Management, Administration, Governance	Mr. Tarun Kumar Govil, Mr. Suresh Pareek, Mr. Vinod Haritwal, Mr. S. K. Sakhalkar
Technical Operations and knowledge on Production, Processing, Quality, Sales and Marketing	Ms. Purna Goradia
Management, Administration, Governance	Ms. Aarti Shah

### **3. INDEPENDENT DIRECTORS :**

#### **a. Declaration of Independent Director**

Independent Directors are Non-executive Directors as defined under regulation 16(1)(b) of the SEBI Listing regulations read with Section 149(6) of the Act. The tenure of the Independent Directors is in compliance with the provisions laid down under Section 149(10) of the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. Based on the declarations received from the Independent Directors, the Board has confirmed that all the Independent Directors of the Company meet the criteria of independence as mentioned under regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

## b. Meeting of Independent Directors

Independent Directors of the Company met on July 29, 2020 without the presence of non-independent directors and members of management for review and assessment of the matters as set out in as per Schedule IV of the Companies Act, 2013 and regulation 25(4) of the SEBI Listing Regulations viz. to evaluate the performance of the Non-Independent Directors, the Board as a whole along with the performance of various Committees of the Board, performance of the Chairperson of the Board, taking into account the views of Executive directors and Non-executive directors.

The Independent Directors further discussed various aspects including the quality, quantity and timeliness of the flow of information between the Management and the Board that is necessary for it to effectively and reasonably perform its duties. All Independent Directors were present at the meeting.

The Company has purchased Directors & Officers Liability insurance for independent directors against comprehensive risks and for appropriate quantum of sum insured.

## c. Independent Director's Familiarisation Programme

The Company familiarizes its Independent Directors with their role, rights, responsibilities and duties in the Company, in backdrop of Companies Act, 2013 and SEBI Listing Regulations, nature of the Industry in which the Company operates, etc., through various programmes. These include orientation programme upon induction of new director, as well as other initiatives to update the directors on an ongoing basis.

Further, the Company also makes periodic presentations at the Board and Committee meetings on various aspects of the Company's operations including on business and performance updates, health and safety, sustainability, performance updates of the Company, industry scenario, business strategy, internal control and risks involved, mitigation Plan, type of products manufactured by the Company, Updates on relevant statutory changes on laws concerning the Company etc.

## 4. COMMITTEES OF THE BOARD :

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

Board has constituted the following committees as prescribed under the Companies Act, 2013 and SEBI Listing Regulations :

- 1) Audit Committee;
- 2) Nomination and Remuneration Committee;
- 3) Stakeholders' Relationship Committee;
- 4) Corporate Social Responsibility Committee;
- 5) Risk Management Committee (w.e.f. July 1, 2021)

These Committees monitor the activities falling within their terms of reference.

### a. AUDIT COMMITTEE :

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Act, as applicable, besides other terms as referred by the Board of Directors.

The terms of reference of the Committee, inter alia, include the following :

- a. Oversight of the Company's Financial Reporting Process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- c. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;



- d. Examination and reviewing, with the management, the annual financial statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to :
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;
  - ii. Changes, if any, in the accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Qualifications / modified opinion(s) in the draft Audit Report;
- e. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- f. Review and monitor the Auditors' independence and performance and effectiveness of audit process;
- g. Approval or any subsequent modification of transactions of the Company with related parties;
- h. Scrutiny of Inter-Corporate Loans and Investments;
- i. Evaluations of internal financial controls and risk management systems;
- j. Reviewing with the management, performance of Statutory and Internal Auditors and adequacy of the internal control systems;
- k. Reviewing the adequacy of internal audit function and discussion with Internal Auditors of any significant findings and follow up there on;
- l. Reviewing the findings of any internal investigations by the Internal Auditors into matters, where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- m. 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;
- n. To review the functioning of the Whistle Blower Mechanism;
- o. Approving the appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- p. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- q. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- r. Review the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- s. Such other items of business as the Companies Act, 2013, rules made there under and the SEBI Listing Regulations for the time being in force requires or may hereinafter require the audit committee to consider, review, evaluate, examine, scrutinise, value, approve, monitor, report, note or otherwise.

The Audit Committee acts as an interface between the Statutory and Internal Auditors, the Management and the Board of Directors. It assists the Board in fulfilling its responsibilities of monitoring financial reporting processes; reviewing the Company's established systems and processes for internal financial controls and governance; and reviews the Company's statutory and internal audit processes. More than two-thirds of the members of the committee, including the Chairman are Independent Directors. As on date of Report, the Committee comprises of 3 directors, out of which 2 are Independent Directors. All the Members of the Audit Committee have Financial, Accounting and Management expertise.

During the financial year 2020-21, 4 [four] meetings of the Audit Committee were held on July 29, 2020, September 07, 2020, November 12, 2020 and February 11, 2021. The composition of the Audit Committee and details of the meetings attended by the directors during the year 2020-21 are given below :

Name of the Members	Status	No. of Meetings Held	No. of Meetings Attended
Mr. Suresh Pareek	Chairman	4	3
Mr. Nirajkumar More	Member	4	4
Mr. Tarun Kumar Govil	Member	4	4
Ms. Aarti Shah (Upto 11-02-2021)	Member	4	4

The meetings of the Audit Committee are also attended by CEO, Head of Accounts and Finance Department, Statutory Auditors and Internal Auditors of the Company. Company Secretary of the Company acted as a Secretary of the Committee.

All the recommendations of the Audit Committee have been accepted by the Board of Directors. Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on September 29, 2020.

#### b. NOMINATION & REMUNERATION COMMITTEE :

The terms of reference of the Committee is as per the provisions of Section 178 of the Companies Act, 2013 and Regulation of the SEBI Listing Regulations, which includes the following :

- formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- recommend to the Board of Directors, a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- devise a policy on diversity of Board of Directors;
- identifying persons, who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- recommend to the Board, all remuneration, in whatever form, payable to senior management.
- To decide as to whether to extend or continue the term of appointment of independent director, on the basis of the report of performance evaluation of independent directors and make recommendation to the Board in this behalf; and
- To carry out such other function and duty as is or may be prescribed under the Companies Act, 2013, rules made there under and the SEBI Listing Regulations, from time to time.

During the financial year 2020-21, 4 [four] meetings of the Nomination & Remuneration Committee were held on July 29, 2020, September 07, 2020, November 12, 2020 and February 11, 2021. The Committee comprises of 4 directors, out of which 3 are Independent Directors. The Chairman of the Committee is an Independent Director. The Chairman of the Board is a Member of the Committee but does not chair the Committee. Company Secretary of the Company acted as a Secretary of the Committee. The composition of the Nomination & Remuneration Committee and details of the meetings attended by the directors during the year 2019-20 are given below :

Name of the Members	Status	No. of Meetings Held	No. of Meetings Attended
Ms. Perna Sonthalia Goradia (From 12-11-2020)	Chairman	1	1
Mr. Tarun Kumar Govil	Member	4	4
Mr. Umeshkumar More	Member	4	3
Mr. Suresh Pareek	Member	4	3

#### Performance evaluation criteria for Non-executive Independent Directors (NEID) :

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of the SEBI Listing Regulations, the Annual Performance Evaluation was carried out for the financial year 2020-21 by the Board in respect of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholders' Relationship and Corporate Social Responsibility Committees. A structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance was prepared after taking into consideration the Guidance note issued by SEBI vide circular no. CMD/CIR/P/2017/004 dated January 5, 2017.

The Committee while evaluating the performance of the Non-executive Independent Directors may take into consideration various factors including :

- (i) Attendance at the Board Meetings, Committee Meetings and Annual General Meeting,
- (ii) Preparedness for and participation at the meetings,
- (iii) Staying updated on developments,
- (iv) Constructive contribution at the meetings,
- (v) Being objective and protecting interest of all shareholders,
- (vi) Engaging with and challenging management without being confrontational or obstructionist,
- (vii) Ensuring integrity of financial statements / internal controls,
- (viii) Ensuring risk management system & mitigation measures are in place,
- (ix) Fulfillment of the independence criteria (as specified in the SEBI Listing Regulations) and independence from the management.

## REMUNERATION OF DIRECTORS :

The remuneration has been paid as approved by the Board, in accordance with the approval of the shareholders and within the overall ceiling prescribed under Section 197 and 198 of the Companies Act, 2013. The Remuneration of Executive Directors has fixed as well as variable components. The variable components comprise of commission on net profits of the Company. Nomination and Remuneration Committee recommends to the Board, periodic revision in remuneration of Executive Directors based on remuneration policy of the Company.

Non-executive Independent Directors have been paid sitting fees for attending meetings of Board / Committees thereof. As per shareholders' approval by way of Ordinary Resolution passed at the 56th Annual General Meeting held on Thursday, July 31, 2014, Non-executive Directors are also paid 'Profit Related Commission' based on performance of the Company. Remuneration paid to Executive Directors and sitting fees for attending Board / Committee Meetings and profit related commission paid to Non-executive Independent Directors, during the year ended March 31, 2021 are as under :

(Rupees in Lacs)

Directors	Sitting Fees	Salary & Allowances	Perquisites	Commission	Share Holding as on 31-03-2021 (in Nos.)
Mr. Umeshkumar More	---	68.20	13.82	-	2,28,05,999
Mr. Nirajkumar More	---	80.99	7.33	54.48	1,78,52,106
Mr. Vinod Haritwal	---	128.47	0.40	33.48	31,000
Mr. Rohitkumar More	---	36.43	0.40	-	9,300
Mr. Suresh Pareek	1.20	---	---	4.40	17,31,965
Mr. Tarun Kumar Govil	1.75	---	---	4.40	2,500
Ms. Aarti Shah (Upto 11-02-2021)	1.00	---	---	3.09	2,300
Ms. Prerna Sonthalia Goradia (From 29-07-2020)	1.30	---	---	1.52	---
Mr. Shashikant Keshav Sakhalkar (From 11-02-2021)	0.25	---	---	---	19,100

## REMUNERATION POLICY :

The Company's philosophy for remuneration of directors, key managerial personnel and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of directors, key managerial personnel and other employees, which is aligned to this philosophy. The Nomination and Remuneration Committee framed policy laying down the criteria for the appointment and remuneration to Non-executive Directors, Executive Directors and Senior Management Personnel. The Policy is available on the Company's website under the weblink : <https://growel.com/subpage/Policy>

**c. STAKEHOLDERS RELATIONSHIP COMMITTEE :**

The complaints received from the investors are being regularly attended to and are believed to be resolved to their satisfaction. The status of the investors' complaints is reviewed by the Stakeholders Relationship Committee generally on quarterly basis. The Committee meets to deal with matters relating to redressal of complaints from shareholders regarding transfers, non-receipt of Annual Report, non-receipt of declared dividends etc. and to review effectiveness of Investors' relations system of the Company. No investor grievance was pending at the year-end.

The terms of reference of the committee comprise of various matters provided under regulation 20 of the SEBI Listing Regulations and section 178 of the Act, which inter-alia include :

- Resolving the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company.

The Committee comprises of 3 directors, out of which 1 is Independent Director. During the financial year 2020-21, 4 [four] meetings of the Stakeholders Relationship Committee were held on July 29, 2020, September 07, 2020, November 12, 2020 and February 11, 2021. Company Secretary of the Company acted as a Secretary of the Committee. The composition of the Stakeholders Relationship Committee and details of the meetings attended by the directors during the year 2020-21 are given below :

Name of the Members	Status	No. of Meetings Held	No. of Meetings Attended
Mr. Tarun Kumar Govil	Chairman	4	4
Mr. Nirajkumar More	Member	4	4
Mr. Vinod Haritwal	Member	4	4

Details of investors complaints / requests received during the year by the Company :

Sr. No.	Nature of Complaints / Requests	Received	Disposed	Pending
1	Non-receipt / Revalidation of Dividend Warrants	14	14	---
2	Non-receipt of / request for Annual Report	1	1	---
3	Non-receipt / issue of Duplicate of Share Certificate	0	0	---
4	Request of Transfer / Transmission / Demat of Shares	1	1	---
5	Request for Change of Address / Bank details / Signature etc.	3	3	---
6	Other	1	1	---
	<b>Total</b>	<b>20</b>	<b>20</b>	<b>---</b>

**d. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE :**

The CSR Committee comprises of 3 directors, out of which 1 is Independent Director. It oversees implementation and execution of CSR Policy and provides guidance on various CSR activities to be undertaken by the Company. The scope of the activities of CSR Committee is in compliance with Section 135 read with Schedule VII of the Companies Act, 2013, which includes

- Formulate and monitor the CSR policy of the Company;
- To recommend the Board about the amount of expenditure to be incurred on the various CSR activities;
- Reviewing of the CSR activities undertaken during the year.

During the financial year 2020-21, 4 [four] meetings of the CSR Committee were held on July 29, 2020, September 07, 2020, November 12, 2020 and February 11, 2021. Company Secretary of the Company acted as a Secretary of the Committee. The composition of the CSR Committee and details of the meetings attended by the directors during the year 2020-21 are given below :

Name of the Member	Status	No. of Meetings Held	No. of Meetings Attended
Mr. Nirajkumar More	Chairman	4	4
Mr. Tarun Kumar Govil	Member	4	4
Mr. Vinod Haritwal	Member	4	4

## e. RISK MANAGEMENT COMMITTEE :

As per Companies Act, 2013 and regulation 21 of SEBI Listing Regulations, 2015, Company is now required to form a Risk Management Committee which has been constituted in the Board Meeting held on June 30, 2021 with the following composition :

Mr. Nirajkumar More – Chairman  
Mr. Yogesh Samat – Member  
Mr. Suresh Pareek - Member

## 5. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS :

All transactions entered into by the Company with related parties as defined under the Companies Act, 2013 and the SEBI Listing Regulations, during the financial year 2020-21 were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with the related parties viz. promoters, directors, their relatives and any Company in which they are interested, that may have potential conflict with the interest of the Company, during the financial year which were in conflict with the interest of Company. Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements. The Board has approved a policy on materiality of related party transactions and on dealing with related party transactions and the same is disclosed on the website of the Company at [www.growel.com](http://www.growel.com)

## 6. GENERAL BODY MEETINGS :

The last Three Annual General Meetings were held as under :

Particulars	March 31, 2020	March 31, 2019	March 31, 2018
<b>Date and Time</b>	September 29, 2020 at 3.00 pm	September 5, 2019 at 3.00 pm	August 30, 2018 at 3.00 pm
<b>Venue</b>	Through Video Conferencing (VC) / other Audio – Visual Means (OAVM)	Growel's 101 Mall, Akurli Road, Kandivli (East), Mumbai – 400101	Growel's 101 Mall, Akurli Road, Kandivli (East), Mumbai – 400101
<b>Any Special Resolution passed</b>	Yes	Yes	Yes
<b>Any Special Resolution passed through Postal Ballot</b>	No	No	No

## 7. MEANS OF COMMUNICATION :

- Quarterly Results are published in prominent daily newspapers viz. Economic times and Maharashtra Times and all other statutory ads are published in Business Standard and Mumbai Tarun Bharat.
- All items required to be covered in the Management Discussion and Analysis Report has been included in the **Annexure 'A'** to the Director's Report.
- The Company has its own website and all the vital information relating to the Company and its products are displayed on the website. Address of the website is [www.growel.com](http://www.growel.com)



**8. DISCLOSURES :**

1. Details on the use of proceeds from public issues, right issues and preferential issues etc. : No funds have been raised through issue of equity or debt in the form of public or rights or preferential issues during the year under review.
2. Details of non-compliances, penalties etc. imposed on the Company by SEBI or Stock Exchange or any other Statutory Authority on any matter related to Capital Market, during the last Three Years : NIL
3. The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism as defined under regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit Committee.
4. Board of Directors has laid down Code of Conduct setting forth standards to be followed by directors and senior management. All the directors and senior management have affirmed compliance with the Code of conduct and a declaration to that effect signed by the CEO and Managing Director is annexed to this report.
5. Based on the recent amendments in the SEBI (Prevention of Insider Trading Regulations), 2015, the Company has revised the “Code of Conduct for Prevention of Insider Trading” of the Company. Company Secretary, is the Compliance Officer for the purpose of this code. During the year, there has been due compliance with the code by the Company and all insiders and requisite disclosures were made to the Stock Exchanges from time to time.
6. There were no instances where the Board had not accepted any recommendation of any committee during the financial year.
7. Managing Director and the Chief Financial Officer of the Company have certified to the Board with regard to the compliance made by them in terms of regulation 17(8) of the SEBI Listing Regulations [Part B of Schedule II]. The Managing Director and the Chief Financial Officer also gives quarterly certification on financial results while placing the financial results before the Board in terms of regulation 33(2) of the SEBI Listing Regulations.
8. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part is mentioned in Notes to Accounts.
9. The Company has complied and disclosed all the mandatory corporate governance requirements under regulation 17 to 27 and regulation 46(2) under SEBI Listing Regulations.
10. Disclosures have also been received from the senior management relating to the financial and commercial transactions in which they or their relatives may have a personal interest. There were no such transactions during the financial year 2020-21 having potential conflict with the interests of the Company at large.
11. The Company is in compliance with the disclosures required to be made under this report in accordance with regulation 34(3) read together with Schedule V(C) to the SEBI Listing Regulations.
12. Company complies with following non mandatory requirements of regulation 27(1) specified in Part E of Schedule II of the SEBI Listing Regulation :
  - i. Company has appointed separate persons to the post of Chairman and Managing Director.
  - ii. Internal Auditors reports to the Audit Committee.
  - iii. The financial statements are with unmodified audit opinion.
13. The Company is in compliance with the disclosures required to be made under this report in accordance with regulation 34(3) read together with Schedule V(C) to the SEBI Listing Regulations.
14. Certificate has been received from a company secretary in practice stating that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
15. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are provided in the Director's Report.

**9. GENERAL SHAREHOLDERS INFORMATION :**

- 1. ANNUAL GENERAL MEETING** : 63<sup>rd</sup> Annual General Meeting.  
**DAY & DATE** : Tuesday, September 29, 2020  
**TIME** : 3.00 pm  
**VENUE** : Growel's 101 Mall, Akurli Road, Kandivli (East), Mumbai – 400101.

- 2. FINANCIAL YEAR** : The Company follows April 1 to March 31 as the financial year.

**3. FINANCIAL CALENDAR :**

- \* Financial reporting for the Quarter ended June 30, 2021 : by August 14, 2021.
- \* Financial reporting for the Quarter ended Sept. 30, 2021 : by November 14, 2021.
- \* Financial reporting for the Quarter ended Dec. 31, 2021 : by February 14, 2022.
- \* Financial reporting for the Quarter and Year ended March 31, 2022 : by May 30, 2022.

- 4. DATES OF BOOK CLOSURE** : September 22, 2021 to September 29, 2021 (both days inclusive).

- 5. RECORD DATE FOR PAYMENT OF DIVIDEND** : September 21, 2021

**6. SHARE TRANSFER SYSTEM :**

The Company's Shares being in compulsory Dematerialized (Demat) list are transferable through the Depository System. As per regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities.

Shares in physical mode are processed by the Registrar and Transfer Agent [RTA]. The RTA has been authorized to process, approve and effect transfer of shares on behalf of the Company at fortnightly intervals.

**7. REGISTRAR AND TRANSFER AGENT :**

The Company has appointed the below mentioned agency as Registrar and Transfer Agent (RTA) for both physical and demat segment of Equity Shares of the Company :

M/s LINKINTIME INDIA PVT. LTD.  
[Unit : Grauer & Weil (India) Limited]  
C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400 083  
Phones : (022) 49186270; Fax : (022) 49186060  
e-mail : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in); URL : [www.linkintime.co.in](http://www.linkintime.co.in)

- 8. COMPLIANCE OFFICER** : Mr. Chintan K. Gandhi

**9. ADDRESS FOR CORRESPONDENCE :**

Share Department :  
GRAUER & WEIL (INDIA) LIMITED  
Growel Corporate, Akurli Road, Kandivli [East], Mumbai - 400 101.  
CIN No. : L74999MH1957PLC010975  
Tel. : (022) 6699 3000; Fax : (022) 6699 3010  
e-mail : [secretarial@growel.com](mailto:secretarial@growel.com)

**10. LISTING :**

BSE Limited.

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Tel. : (022) 2272 1234. Fax : (022) 22721919.  
The Company is regular in payment of listing fees.

**11. STOCK CODE OF THE COMPANY :**

BSE Limited  
 Scrip Name : GRAUER & WEIL (INDIA) LIMITED  
 Scrip Code : 505710.  
 Electronic Mode (ISIN) : INE266D01021

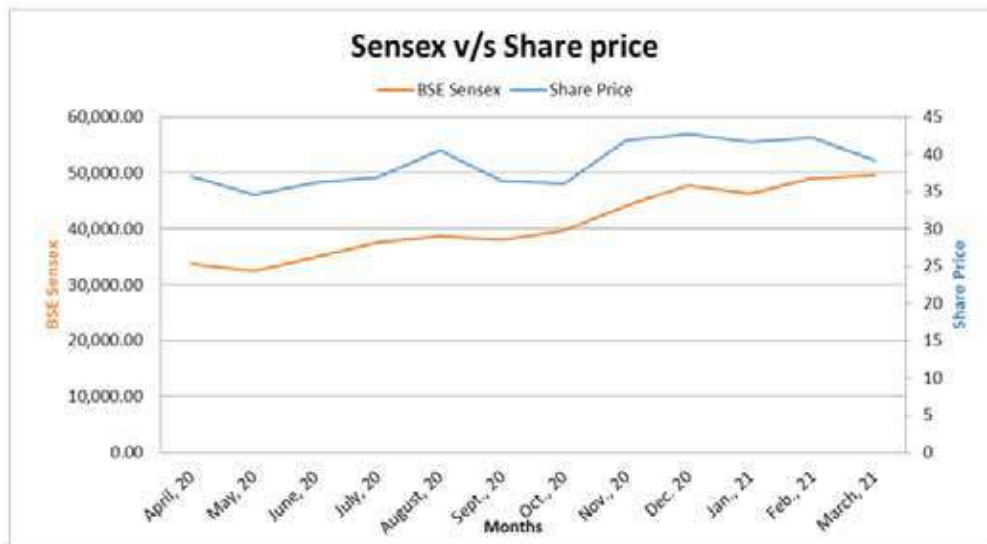
**12. DEPOSITORY CONNECTIVITY : NSDL and CDSL****13. DEMATERIALISATION OF SHARES :**

As on March 31, 2021, a total of 22,36,13,360 Shares representing 98.64% of the paid up share capital of the Company were held in Dematerialized form with NSDL and CDSL. Member can hold shares in electronic forms and trade the same in Depository System. However, they may hold the same in physical form also.

**14. STOCK PRICE DATA :**

Stock Market price data for the year of Company's Share :

Month	High Price (Rs.)	Low Price (Rs.)	Closing Price (Rs.)	BSE Sensex (Closing)	No. of Shares
April, 2020	44.75	31	37.05	33,717.62	31,34,978
May, 2020	36.50	30.25	34.6	32,424.10	11,59,310
June, 2020	43.90	34.2	36.15	34,915.80	45,23,854
July, 2020	41.70	35.5	36.9	37,606.89	59,52,711
August, 2020	47.80	36.5	40.45	38,628.29	80,70,915
September, 2020	43.20	33.5	36.4	38,067.93	26,65,281
October, 2020	38.00	34	36	39,614.07	19,56,746
November, 2020	43.00	34.05	41.8	44,149.72	34,19,951
December, 2020	44.70	38	42.7	47,751.33	51,89,807
January, 2021	48.90	40.6	41.65	46,285.77	1,14,55,947
February, 2021	45.30	41	42.2	49,099.99	44,88,705
March, 2021	46.15	38.5	39.2	49,509.15	58,80,938

**15. PERFORMANCE OF SHARES OF THE COMPANY PRICE IN COMPARISON TO BSE SENSEX :**

**16. SHAREHOLDING PATTERN AS ON MARCH 31, 2021 :**

Category	No. of shares held	% of shareholding
Promoters / Directors & Associates	15,83,11,475	69.8313
Mutual Funds & UTI	20,120	0.0089
Banks & Financial Institutions	19,500	0.0086
Private Body Corporate	84,16,394	3.7125
Indian Public/Others	5,62,51,218	24.8124
NRI/OCBs	36,87,043	1.6263
<b>Total</b>	<b>22,67,05,750</b>	<b>100.0000</b>

**17. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2021 :**

No. of Equity Shares held	No. of Shareholders	% of Total Shareholders	No. of Shares held	% of Equity Share Capital
Upto 500	23,618	68.5892	37,68,281	1.6622
501-1000	4,014	11.6571	34,34,829	1.5151
1001-2000	2,430	7.057	38,76,194	1.7098
2001-3000	1,108	3.2177	28,94,304	1.2767
3001-4000	702	2.0387	25,49,866	1.1247
4001-5000	548	1.5915	26,15,551	1.1537
5001-10000	981	2.8489	73,57,692	3.2455
10001 & above	1,033	2.9999	20,02,09,033	88.3123
<b>Total</b>	<b>34,434</b>	<b>100.0000</b>	<b>22,67,05,750</b>	<b>100.0000</b>

**18. PLANT LOCATIONS :**

- Plot No. 10, Survey No. 215/1, Dadra Industrial Estate, Dadra - 396 193. [Dadra & Nagar Haveli - U.T.]
- Plot No. 7, Survey No. 216/3, Dadra Industrial Estate, Dadra - 396 193. [Dadra & Nagar Haveli - U.T.]
- Survey No. 216/4, Dadra Industrial Estate, Dadra - 396 193. [Dadra & Nagar Haveli - U.T.]
- Survey No. 259/22/2 & Survey No. 259/23/1, Dadra Industrial Estate, Dadra - 396 193. [Dadra & Nagar Haveli - U.T.]
- Plot No. 407, Phase II, G.I.D.C., Vapi - 396195 (Gujarat)
- Plot No. 31 & 32, Industrial Estate, Barotiwala - 174 103. [H. P.]
- Gat No.66/A, Village - Dhanore, Alandi - Markal Road, Near ZP School, Taluka - Khed, Pune - 412105 (Maharashtra)
- SIDCO Industrial Complex, Phase II, Samba. [J & K]

**19. MALL :** Growel's 101, Akurli Road, Kandivli - East, Mumbai - 400101.

**20. COMPLIANCE :**

A certificate has been obtained from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance and is attached to this report.

**21. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES;**

Company mainly consumes various chemicals, varnishes, solvents, pigments and resins which are the major raw materials, where commodity price risk may arise. Company develops on an ongoing basis, alternate supply sources for key products to protect itself from any price risk due to overdependence on single supplier. Most of these materials are sourced from the domestic market and therefore do not have significant foreign exchange fluctuation risks.

Currency risks mainly arise out of imports, exports and overseas operations. The Company has defined Exchange Risk Management framework to manage these risks. The Company hedges its foreign exchange risk exposure by way of forward exchange contracts as

per the decision of Management from time to time. As a Company policy, Company does not hedge its exports. The export proceeds are kept in EEFC A/c, to utilize against payments of advances towards import. Surplus in the EEFC A/c are converted into rupees as per RBI guidelines. All our Imports are generally hedged.

## 22. TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO IEPF

During the financial year 2020-21, unclaimed dividend amounting to Rs. 469,926.48 lying in the unclaimed dividend account relating to the Financial Year 2012-13 was transferred to Investor Education & Protection Fund (IEPF) in compliance with Section 124 of the Companies Act, 2013. Further during the financial year 2019-20, a total of 101,434 shares, in respect of which dividend were unclaimed for seven consecutive years, have been transferred to IEPF in accordance with the provisions of Section 124(6) of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

### Registered Office:

Growel Corporate,  
Akurli Road, Kandivli [East],  
Mumbai - 400 101

Date : June 30, 2021

### For & on behalf of the Board of Grauer & Weil (India) Limited

**Nirajkumar More**  
Managing Director  
DIN : 00113191

**Vinod Haritwal**  
CEO & Whole-time Director  
DIN : 00112862

## DECLARATION

In accordance with regulation 26(3) of Securities and Exchange Board of India (Listing Obligation & Disclosure requirement) Regulations, 2015, we hereby confirm that all the Executives Directors and the Senior Management Personnel have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the year ended March 31, 2021.

### Registered Office:

Growel Corporate,  
Akurli Road, Kandivli [East],  
Mumbai - 400 101

Date : June 30, 2021

### For & on behalf of the Board of Grauer & Weil (India) Limited

**Nirajkumar More**  
Managing Director  
DIN : 00113191

**Vinod Haritwal**  
CEO & Whole-time Director  
DIN : 00112862



## **INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

### **TO THE MEMBERS OF GRAUER & WEIL (INDIA) LIMITED**

1. We, SCA AND ASSOCIATES, Chartered Accountants, the Statutory Auditors of Grauer & Weil (India) Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended March 31, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### **MANAGEMENT'S RESPONSIBILITY**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

### **AUDITORS' RESPONSIBILITY**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

### **OPINION**

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2021.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### **For SCA AND ASSOCIATES**

Chartered Accountants  
(Firm Registration No. 101174W)

**(Shivratan Agarwal)**

Partner  
M. No. : 104180  
UDIN : 21104180AAAAIM7483  
Place : Mumbai  
Dated : June 30, 2021

## ANNEXURE 'C' : TO DIRECTORS' REPORT

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

#### 1. A brief outline of the Company's CSR Policy :

As a responsible corporate citizen, Corporate Social Responsibility (CSR) forms an important part of the Company's overall philosophy of giving back to the Society. The CSR vision of the Company is 'Promotion and Protection of Education, Health, Sanitation, Environment and Rural Development'.

#### 2. Composition of CSR Committee :

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Nirajkumar More	Chairman (Managing Director)	4	4
2	Mr. Tarun Kumar Govil	Member (Independent Director)	4	4
3	Mr. Vinod Haritwal	Member (CEO & Director)	4	4

#### 3. Web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed :

<https://growel.com/page/Committees>, <https://growel.com/subpage/Policy>

#### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 : Not Applicable

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any :

Sl. No.	Financial year	Designation / Nature of Directorship	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set off for the financial year, if any (in Rs.)
Not Applicable				

#### 6. Average net profit of the Company as per section 135(5) : Rs. 9,276.67 Lacs

7. a. Two percent of average Net profit of the Company as per section 135(5) : Rs. 1,85,53,347/-
- b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
- c. Amount required to be set off for the financial year, if any : Nil
- d. Total CSR obligation for the financial year (7a+7b-7c) : Rs. 1,85,53,347/-

#### 8. a. CSR amount spent or unspent for the financial year : 2020-21

Total amount spent	Amount Unspent				
	Unspent CSR Account as per Section 135(6) of the Act		Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
Rs. 71,41,808/-	Rs. 1,14,11,539/-*	April 29, 2021	Not Applicable		

\* Out of Rs. 1,14,11,539/- to be transferred to unspent CSR Account, Rs. 51,00,000/- donated to Rajasthani Sammelan Education Trust in April, 21 towards upgrading the Science Lab of Sarvodaya Balika Vidyalaya and thus balance Rs. 63,11,539/- were transferred to unspent CSR Account.

**b. Details of CSR amount spent against ongoing projects for the financial year :**

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Locations Districts (State)	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
										Name	CSR Registration number
1	Upgrading the Science Lab	Education	Yes	Mumbai - MH	2 Years	Rs. 51,00,000/-	---	Rs. 51,00,000/-	No	Rajsthani Sammelan Education Trust	NA
2	Landscape gardening and greening of Public Area	Environmental sustainability	Yes	Mumbai - MH	More than 1 Year	Rs. 53,40,000/-	---	Rs. 53,40,000/-	No	Municipal Corporation of Greater Mumbai	NA
3	Distribution of nutrition ration kits	Eradicating malnutrition	Yes	Dadra - UT of D & NH	More than 1 Year	Rs. 5,65,000/-	---	Rs. 5,65,000/-	No	Federation of Industries Associations, Silvassa	NA
4	Health, education and welfare of tribal families	Reducing inequalities faced by socially and economically backward groups	Yes	Dadra - UT of D & NH	More than 1 Year	Rs. 4,06,539/-	---	Rs. 4,06,539/-	Yes	---	---

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

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes / No)	Locations Districts (State)	Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes / No)	Mode of Implementing through implementing Agency	
							Name	CSR Registration number
1.	PM Care Fund	PM Care fund	NA	NA	Rs. 55,00,000/-	NA	NA	NA
2.	Donation to art and Photography foundation	Promoting art and culture	Yes	Mumbai - MH	Rs. 5,00,000/-	No	Art and Photography foundation, Bangalore	NA
3.	Tree plantation, Public garden maintenance etc.	Ensuring environmental sustainability and Ecological Balance	Yes	Dadra - UT of D & NH; Barotiwala - HP; Mumbai -MH	Rs. 4,24,303/-	Yes	Self	NA
4.	Blood Donation Camp, Maintenance of Public Toilets, Sanitation etc.	Promoting and Preventive Healthcare	Yes	Dadra - UT of D & NH; Barotiwala - HP; Mumbai -MH; Samba (J & K)	Rs. 2,84,574/-	Yes	Self	NA
5.	Distribution of Covid Kit, Food package and groceries to orphanage & an old age home, NGO Kids, poors, needy etc.	Promoting gender equalities and Eradicating Hunger, poverty	Yes	Dadra - UT of D & NH; Barotiwala - HP; Mumbai -MH	Rs. 2,70,723/-	Yes	Self	NA
6.	Payments of college fees	Promoting Education	Yes	Dadra - UT of D & NH; Mumbai - MH;	Rs. 1,62,208/-	Yes	Self	NA

**d. Amount spent in Administrative Overheads : Nil**

**e. Total Amount spent on Impact Assessment, if applicable : Not applicable**

f. Total amount spent for the financial year (8b+8c+8d+8e) : Rs. 1,85,53,347/-

g. Excess amount for set off, if any

Sl. No.	Particular	Amount
(i)	Two percent of average net profit of the Company as per section 135(5)	NA
(ii)	Total amount spent for the financial year	NA
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

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

Sl. No.	Preceding financial year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting financial year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the fund	Amount (in Rs)	Date of transfer	
	Not Applicable						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) :

Sl. No.	Project ID	Name of the project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting financial year (in Rs.)	Cumulative amount spent at the end of reporting financial year (in Rs.)	Status of the project - completed / ongoing.
								Not Applicable

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

- Date of creation or acquisition of the capital asset(s) : Not Applicable
- Amount of CSR spent for creation or acquisition of capital asset : Not Applicable
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Not Applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). : Not applicable

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

**Nirajkumar More**  
Chairman of CSR Committee

## ANNEXURE 'D' : TO DIRECTORS' REPORT

### BUSINESS RESPONSIBILITY REPORT

**[Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]**

In terms of regulation 34(2)(f) of the SEBI Listing Regulations, 2015, as amended, this Business Responsibility Report (BRR) of the Company for the financial year 2020-21 forms part of the Annual Report.

This BRR of the Company is in line with principles of National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business as notified by the Ministry of Corporate Affairs (MCA), Government of India, which includes our responses to questions on practices covering the initiatives taken by the Company from an Environmental, Social and Governance perspective.

#### Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L74999MH1957PLC010975
2.	Name of the Company	GRAUER AND WEIL (INDIA) LIMITED
3.	Registered address	Growel House, Akurli Road, Kandivli (East), Mumbai – 400101
4.	Website	<a href="http://www.growel.com">www.growel.com</a>
5.	E-mail ID	<a href="mailto:secretarial@growel.com">secretarial@growel.com</a>
6.	Financial year reported	April 1, 2020 to March 31, 2021
7.	Sector(s) that the Company is engaged in (Industrial activity code-wise)	Surface Finishing : NIC code - 20119, 20221 & 19201 Engineering : NIC code - 28222 Shoppertainment : NIC code - 68100
8.	List three key products / services that the Company Manufactures / provides (as in balance sheet)	Electroplating Chemicals, Paints, Plating Plants
9.	Total number of locations where business activity is undertaken by the Company	
	a. Number of International Locations	Company does not have any manufacturing facilities outside India. However Company has a branch office in Dhaka and a 100% Subsidiary Companies in Bangkok that markets its products.
	b. Number of National Locations	46, including the Registered Office and a Mall at Kandivli, Mumbai and factories at Vapi, Dadra, Barotiwala, Alandi and Samba and branch offices and technical service centers.
10.	Markets served by the Company – Local / State / National / International	All : Local, State, National and International

#### Section B : Financial details of the Company

1.	Paid up capital (INR)	Rs. 2,267.06 Lacs
2.	Total turnover (INR)	Rs. 66,940.89 Lacs
3.	Total profit after taxes (INR)	Rs. 6,963.15 Lacs
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax.	<p>i. Total Obligation for CSR Expenditure during the financial year 2020-21 is Rs. 185.53 Lacs, which constitute 2% of the average net profits of the last three financial years.</p> <p>ii. Out of total Obligation, Company has spent Rs. 71.42 Lacs during the financial year 2020-21.</p> <p>iii. The balance unspent amount of Rs. 114.11 Lacs shall be spent on the ongoing projects which may stretch upto stipulated time. The Company has deposited the balance amount in separate Bank account opened with Scheduled Bank in Compliance with Company (Corporate Social Responsibility Policy) Rules 2021.</p>



5.	List of activities in which expenditure in 4 above has been incurred.	a. Education b. Promoting healthcare and sanitization c. Promoting of art and culture d. Ensuring environmental sustainability e. PM Care fund f. Eradicating Hunger, poverty.
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### Section C : Other Details

1.	Does the Company have any Subsidiary Companies?	Yes, the Company have 2 subsidiary Companies as on March 31, 2021. During the year, Company made an application for striking off the name of one of the subsidiary Company viz. Grauer & Weil (UK) Limited in United Kingdom and same has been approved.
2.	Do the subsidiary Company / companies participate in the Business Responsibility (BR) initiatives of the parent Company?	No
3.	Do any other entity / entities that the Company does business with participate in the BR initiatives of the Company?	No

### Section D : BR Information

#### I. Details of director responsible for BR

##### a) Details of the director responsible for implementation of the BR policy / policies :

DIN Number : 00113191  
 Name : Mr. Nirajkumar More  
 Designation : Managing Director

##### b) Details of the director responsible for implementation of the BR Head :

DIN Number : NA  
 Name : Mr. Yogesh Samat  
 Designation : COO  
 Telephone Number : 022 - 66993000  
 Email ID : yogesh.samat@growel.com

#### 2. Principle-wise (as per NVGs) BR Policy / Policies

This BR Report follows the National Voluntary Guidelines on social, environmental and economic responsibilities of business, as notified by the Ministry of Corporate Affairs, Government of India, which laid down the following principles :

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Ethics and Transparency	Product Sustainability	Well-being of employees	Stakeholder Engagement	Human Rights	Environment	Policy advocacy	Inclusive growth	Customer value
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	The policy is based on National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business established by the Ministry of Corporate Affairs, Government of India in 2011.								

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Ethics and Transparency	Product Sustainability	Well-being of employees	Stakeholder Engagement	Human Rights	Environment	Policy advocacy	Inclusive growth	Customer value
4	Has the policy been approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Yes. It has been signed by the MD.								
5	Does the Company have a specified Committee of the Board / Director / Official to oversee the implementation of the policy?	The Company has a BRR Committee. The Director responsible for BR and BR Head are responsible for implementation of the policy								
6	Indicate the link for the policy to be viewed online?	<a href="https://growel.com/subpage/Policy">https://growel.com/subpage/Policy</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	It has been posted on the Company's website								
8	Does the Company have in-house structure to implement the policy / policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The working of this policy is monitored by the functional heads. Formal evaluation will be carried out when found necessary.								

(b) If answer to serial No. 1 against any principle is 'No', please explain why : Not applicable

### 3. Governance related to BR

Sr. No.	Questions	
1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The BR Head periodically assesses the BR performance of the Company and the Board reviews the same annually.
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company publishes its BR Report as a part of Annual Report and same is available on the website of the Company at <a href="http://www.growel.com">www.growel.com</a>

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle I : Ethics, Transparency and Accountability

#### I. Does the policy relating to ethics, bribery and corruption cover only the Company?

Yes and it includes all its directors, senior management, employees and business associates. The Company believes in conducting all affairs of its constituents in fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. The Whistle Blower and Vigil Mechanism Policy enables stakeholders, including directors and employees to freely communicate their concerns about illegal or unethical practices, actual or suspected fraud and to report genuine concerns and grievances.

**Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

No.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the year, the Company has not received any complaints related to violation of BR policy across all its operations. We have laid down a structured process for reporting on any complaints related to violation of Code of the Company.

## Principle 2 : Product Safety and Sustainability

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

- (a) Electroplating Chemicals
- (b) Effluent Treatment Plants
- (c) Shoppertainment Mall

- 2. For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product.**

- a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?**

The Company is committed to and targets towards following the best practices to reduce utilization of power, natural resources like water and raw materials and is focused on optimizing resource utilization in the manufacturing and distribution of products thereby resulting in reduction for consumption of resources in a sustainable manner. However, given the nature of our business, it is difficult to quantify.

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

No specific data is available to quantify the said information. However actual usage by consumers / customers varies, depending on area of application, method of application, type of line, operating conditions and a host of other variables.

- 3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes, the Company has a well-established detailed process for procurement of materials, vendor development and evaluation. Company believes in using safer chemicals in its products and is committed to reduce and phase out hazardous substances in the products. The Company encourages suppliers to take effective steps for the reduction of emissions and energy consumption directly or indirectly. If the supplier does not meet the expectations, then measures are suggested for improving performance. Company always prefer and insist to transport liquids in bulk through tankers instead of using barrels, thereby reducing barrel waste generation.

- 4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, the Company always focuses and prefer to purchase from small, local and indigenous suppliers, who meet the expectation of the Company on quality, delivery, cost and technology. This also resulted into reduction of time, cost and efforts in procurement, provides local employment opportunities and a reduced environmental footprint in sourcing. The Company actively encourages and works with local and small producers to improve their capability, capacity and quality through suggestions, price competitiveness feedback, vendor ratings and Vendor Audit at supplier factories by purchase and QA team and interactions with senior management. During these audits and vendor meets, they are made aware of our business practices and the Company makes suitable recommendations to them. Various contracts have been awarded to local villagers around the plants for vehicle hiring, material handling, housekeeping, waste handling etc.

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

The Company understands the role of recycling in protecting the environment and have mechanisms in place to recycle the waste generated. All the chemical plants of the Company are zero discharge plants and process and recycle all the liquid wastes. Effluent Treatment Plants are

installed at all the manufacturing facilities. The Company always try and ensure that all waste generated are recycled and reuse in the plants only in different processes. The paint plants reuse all the process waste in different products. Strict adherence to the waste disposal norms is followed and all plants adopt processes to identify products which are non-confirming or have expired to rectify and convert them into conforming products, where possible. Packaging material like drums, carboys and IBCs are reused and recycled after necessary cleaning.

### Principle 3 : Employee well-being

1. Please indicate the total number of employees : 852
2. Please indicate the total number of employees hired on temporary / contractual / casual basis : 592
3. Please indicate the number of permanent women employees : 86
4. Please indicate the number of permanent employees with disabilities : Nil
5. Do you have an employee association that is recognized by management : Yes
6. What percentage of your permanent employees is members of this recognized employee association : 4%
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

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

**Safety :** We conduct periodic demonstration of mock drills related to safety and security of all employees to generate awareness.

**Skill upgradation :** Our training programs includes on-the-job training, webinars, seminars etc. for all employees.

- (a) Permanent employees : 96%
- (b) Permanent women employees : 96%
- (c) Casual / Temporary / Contractual employees : 95%
- (d) Employees with disabilities : NA

### Principle 4 : Stakeholder Engagement

1. Has the Company mapped its internal and external stakeholders? Yes / No

Yes, The Company has identified and mapped all its key internal and external stakeholders and same are listed below :

Internal Stakeholder : Board of Directors, Senior Management and Employees.

External Stakeholder : Suppliers, Distributors, Vendors, Customers, Communities, Investors and Government Regulators.

It uses both formal and informal mechanisms to engage with various stakeholders to understand their concerns and expectations.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, The Company is a responsible corporate citizen and is responsive to the requirements of all its Stakeholders. The Company has undertaken various initiatives in the area of education, healthcare, environment sustainability, Covid help and vaccination for the disadvantaged, vulnerable and marginalized stakeholders located in and around our plants and Mall and took proactive steps to serve their needs through our well-designed CSR Programs.

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

Yes, the Company engages itself with the disadvantaged, vulnerable and marginalized stakeholders on a regular basis via its CSR activities.

In the era of COVID pandemic, Company has contributed substantial amount towards PM Care fund with the intention to boost the government initiative to control the Covid pandemic and help the needy. The Company has also distributed kit, groceries, foods etc. to the peoples located surrounding the plants, factories, offices and Mall. Contributions were also made to the covid relief funds of various State Governments to control the pandemic, though the same are not covered under CSR initiatives. The Company has allowed the BMC to use its spacious Mall spaces for opening Vaccination Centre and also organised Vaccination Camp.

Apart from distribution of books, note books, stationery etc. at the schools, Company spent large amount towards education, Literacy etc. and contributed substantial amounts towards upgrading a Science Lab in Sarvodaya Balika Vidyalaya, Malad.

Detailed CSR activities are provided in the CSR reports, being a part of this Annual Report.

**Principle 5 : Human Rights**

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

Our Company respects the rights, values and dignity of all individuals including the employees and covers only Company. Company actively works to develop a culture, which respects and supports human rights at the workplace and continuous endeavour are made to comply with the relevant laws, safeguarding labour rights and human rights. Company have zero tolerance for any form of sexual, unethical or unlawful harassment of employees in its fundamental.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

In the financial year 2020-21, no complaints were received with regards to human rights violations, Sexual harassment and violation of code of conduct of the Company. Various policies of the Company viz. Whistle-Blower Policy, Policy on Prevention of Sexual Harassment, Code of Conduct of the Company etc. provides a channel to stakeholders to communicate any human right violation. The Company strives to provide a safe and worry-free environment to all employees and business associates.

**Principle 6 : Environment**

**1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.**

Meanwhile, it covers only the Company.

**2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y / N. If yes, please give hyperlink for webpage etc.**

The Company considers compliance to statutory Environment, Health and Safety requirements as the minimum performance standard and is committed to go beyond and adopt stricter standards wherever appropriate.

As a part of Environment Management Systems, Company has implemented and in-force Environment Management System ISO 14001. Tree plantations, Rain Water harvesting, maintenance of public gardens etc. are carried out every year at plants level. Treatment and re-usage of waste generated from our plants is closely monitored and all our plants follows zero discharge norms. The Company also focus on energy consumption reduction through various initiative which includes installation of Solar Panels, utilisation of solar energy, installation of LED lights etc.

**3. Does the Company identify and assess potential environmental risks? Y / N**

Yes. The Company identifies the risks that can impact the business and financial operations and affect the Company's future growth. In the Board Meeting held on June 30, 2021, Company has also constituted the Risk Management Committee to identify and assess the potential risk which includes the Environment Risk also.



- 4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

The Company at present does not have such a project.

- 5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for web page etc.**

Yes. It is an ongoing exercise to reduce energy consumption by vigilant energy management, installation, use and maintenance of energy efficient devices and equipment and adoption of renewable technologies. Some of initiatives taken include :

- Installation of solar panels at rooftop;
- use of efficient chillers that reduced power consumption;
- waste water recovery and reuse instead of treatment and disposal;
- replacement of conventional bulbs and lights with LED.

- 6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

Yes. All the emissions generated from business operations are far below the limits prescribed by the State Pollution Control Board (SPCB) and Central Pollution Control Board (CPCB).

- 7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

None

#### **Principle 7 : Policy Advocacy**

- 1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with :**

Yes, The Company is member of trade and industry chambers viz.

- Confederation of Indian Industry
- ASSOCHAM
- Federation of Indian Chambers of Commerce and Industry
- Indian Paint Association
- Indo-German Chamber of Commerce etc.

- 2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box : Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)**

The Company foresees the above association as a medium for betterment, improvement and advancement and protection of interest of industry with a long term sustainability goal. Company provides inputs on matters concerning business and society in general through trade and chamber associations.

#### **Principle 8 : Inclusive growth and equitable development**

- 1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company, in pursuit of the CSR Policy, has identified few focus areas of engagement and organises and conduct various programmes / initiatives for the same which includes :

1. Eradicating hunger, poverty and assistance to the needy and under privileged.
2. promoting Education

3. Sanitation, Cleanliness
4. Healthcare including preventive healthcare
5. Environment sustainability including maintenance of public garden, tree plantation etc.

The details of specific CSR activities are given in CSR Report, being a part of Annual Report.

**2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?**

The CSR Activities have been carried out by the Company directly and / or through implementing agencies / NGOs / Educational Institute, Trusts etc.

**3. Have you done any impact assessment of your initiative?**

Yes, the Company does impact assessment of the projects before starting an initiative and constantly monitors it at various stages to understand the benefit to the overall society as a whole. Reports and feedback are sought to understand the impact of the initiatives.

**4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.**

The Company has supported Covid-19 relief activities by contributing towards and distributing PPE Kits, Mask, Food Grains, Hand Gloves, Protective Face shield, food packets etc. The Company's contribution to community development project is through CSR activities. During financial year 2020-21, the Company has spent Rs. 71.42 Lacs on such projects and transferred Rs. 114.11 Lacs to a separate accounts for the ongoing projects which may stretch upto stipulated time. The details of the same are given in Annexure 'C' to the Board's Report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Your Company carries out CSR Activities directly and in partnership with the NGO / Trust / non-profit organisation etc. to ensure that the benefits of the same were reached to targeted section of the society in true spirit. In case of partnership with non-profit organisations, the Company not only monitors the progress of the project but also obtains Fund Utilisation Report to ensure that the funds are effectively utilised for the benefit of the community.

**Principle 9 : Customer value**

**1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.**

No customer complaints are pending as on the end of the financial year.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)**

Not Applicable

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

None

**4. Did your Company carry out any consumer survey / consumer satisfaction trends?**

Customer satisfaction surveys are conducted by major Divisions for their key customers.

**ANNEXURE – ‘E’: TO DIRECTORS’ REPORT  
FORM No. MR-3  
SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
**GRAUER AND WEIL (INDIA) LIMITED**  
Growel Corporate, Akurli Road,  
Kandivali (East), Mumbai – 400 101

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GRAUER AND WEIL (INDIA) LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **GRAUER AND WEIL (INDIA) LIMITED** for the financial year ended on March 31, 2021 according to the provisions of :

- i. The Companies Act, 2013 (“the Act”) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) viz. :
  - a) 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;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Not applicable during the period of audit]
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable during the period of audit]
  - f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; [Not applicable during the period of audit]
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable during the period of audit]
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Not applicable during the period of audit]

- vi. We have also examined compliance with the applicable clauses of the following :
- Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
  - The Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Company was engaged in manufacturing activities in various segments i.e. (a) Surface Finishing (b) Lubricants (c) Malls. The specific industry related acts applicable to the Company are as under :

- The Petroleum Act, 1934
- The Oil Fields (Regulation and Development) Act, 1948
- The Inflammable Substances Act, 1952
- The Dangerous Machines (Regulation) Act, 1983
- The Oil Industry (Development) Act, 1974
- The Energy Conservation Act, 2001
- The Petroleum & Natural Gas Regulatory Board Act, 2006
- The Petroleum and Minerals Pipelines (Acquisition of right of user in land) Act, 1962

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

We report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same has been subject to review by statutory financial auditor and other designated professionals.

We further report having regard to the compliance system prevailing in the Company and as per explanations and management representations obtained and relied upon by us, the Company has adequate systems and processes commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

**We further report that :**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, Board Committee Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of Minutes.
- There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, no events / actions occurred which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

As informed, the Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

**For GMJ & ASSOCIATES**  
Company Secretaries

**[MAHESH SONI]**  
**PARTNER**  
**FCS : 3706 ; COP : 2324**  
**UDIN : F003706C000555433**  
**PLACE : MUMBAI**  
**DATE : JUNE 30, 2021.**

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



**ANNEXURE A**

To,  
The Members,  
**GRAUER AND WEIL (INDIA) LIMITED**  
Growel Corporate, Akurli Road,  
Kandivali (East), Mumbai – 400 101

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

1. Maintenance of secretarial records is the responsibility of 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. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the 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.
7. We have verified the documents provided by the Company through Virtual Private Network (VPN) for audit purpose due to COVID-19 restrictions in Maharashtra, Mumbai, physical examination of documents is not possible.

For **GMJ & ASSOCIATES**  
**Company Secretaries**

**[MAHESH SONI]**  
**PARTNER**  
**FCS : 3706 ; COP : 2324**

**UDIN : F003706C000555433**  
**PLACE : MUMBAI**  
**DATE : JUNE 30, 2021.**



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (LODR) Regulations, 2015)*

To,  
**GRAUER AND WEIL (INDIA) LIMITED**  
 Growel Corporate, Akurli Road,  
 Kandivali (East), Mumbai – 400 101

We have examined the relevant registers, records, forms, returns and disclosures received from the directors of **GRAUER AND WEIL (INDIA) LIMITED** having CIN : **L74999MH1957PLC010975** and having registered office at Akurli Road, Kandivli (East), Mumbai - 400101. (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para - C, sub-clause 10(i) of the SEBI Listing Regulations, 2015.

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

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Umesh Kumar More	00112662	17/07/1969
2.	Vinod R. Haritwal	00112862	02/09/2011
3.	Nirajkumar More	00113191	12/08/1993
4.	Rohit R. More	00139797	14/03/2003
5.	Suresh R. Pareek	00757066	29/09/2006
6.	Tarun Kumar Govil	06924673	14/07/2014
7.	Prerna S. Goradia	08756246	29/07/2020
8.	Shashikant Sakhalkar	00695661	11/02/2021

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

For **GMJ & ASSOCIATES**  
 Company Secretaries

**[MAHESH SONI]**  
**PARTNER**  
**FCS : 3706 ; COP : 2324**  
**UDIN : F003706C000555642**  
**PLACE : MUMBAI**  
**DATE : JUNE 30, 2021.**

## **ANNEXURE 'F' : TO DIRECTOR'S REPORT**

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

### **A. CONSERVATION OF ENERGY:**

#### **1. Steps taken or impact on conservation of energy :**

- a. Installed the new electrical panel with automatic capacitor bank for maintaining the power factor.
- b. VFD panel installation on mixers 09 Nos. for operation of 20HP and 15HP motor
- c. VFD panel installed on HSD machine 4 Nos. for operation of 25HP motor.
- d. Upgradation of non IBR boilers to improve the fuel efficiency.
- e. Energy efficient motors, blowers, pumps & LED lamps.
- f. Office lights like metal halide lamps, CFL, HPSV & T5 replaced by LED lights.
- g. Reduction in operation hours by close monitoring and timer base operation.
- h. Replacement of start delta starters with VFDS.
- i. Replacement of wall mounted DX unit by inverter base AC units.
- j. Replacement of old motors with high efficiency IE3 motors.
- k. Replacement of damaged chiller piping insulation.
- l. Adopted the energy monitoring methodology.
- m. Elimination of over capacity motors
- n. Replacement of low efficiency compressors by high efficiency.
- o. Water saving by changing the taps and using the sensors for taps & urinals

#### **2 Steps taken by the company for utilising alternate sources of energy :**

- a. Roof top solar panel system
- b. Conventional fuel like FO / HSD replaced with PNG.

#### **3. Capital investment on energy conservation equipments :**

Capital investment of estimated Rs. 50 Lakhs has made on energy conservation equipments.

#### **4. Proposed energy conservation plans 2020-21 :**

- a. Common building management system (BMS) in mall for efficient usages mall equipments & lighting systems in the premises. System should not be operated in manual mode to meet energy optimisation objectives.
- b. Planned to use star labelled appliances / equipments as per bee
- c. VFDS for AHU common area.
- d. New BMS installation for mall services.
- e. Automatic chiller condensor cleaning systems.
- f. Chilled water treatment management systems.
- g. Uses of storm & STP treated water for flushing.
- h. Existing street light replaced with led street light.
- i. Soft starter installed for operation of ball mill machine 30HP motor.
- j. Elimination of over capacity motor.
- k. Auto on off temperature base operation of cooling towers, chillers & pumps.

- l. Roof top solar power systems.
- m. Installation VFD to cooling tower.
- n. Upgradation of non IBR boilers.
- o. Replacement of old AC units by VRF or inverter base technology.
- p. Additional sourcing of power from wind & solar energy.

**v) Total energy consumption and energy consumption per unit of production:**

As per Form 'A'

**B. TECHNOLOGY ABSORPTION :** Efforts made in technology absorption as per Form 'B'

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

**(1) Activities relating to exports, initiatives taken to develop export markets :**

Despite the pandemic across the globe with all round focused effort, we were able to grow export sales during the year under review by 18.84% from Rs. 5,096.75 Lacs in financial year 2019-20 to Rs. 6,056.79 Lacs in financial year 2020-21.

**(2) Total foreign exchange used and earned :**

Rupees in Lacs

(i)	Total foreign exchange used	
	(a) On import of raw materials, components, spare parts and capital goods	5,898.88
	(b) Expenditure in foreign currencies for Business Travel, Seminars, Dividend and Royalties etc.	118.10
(ii)	Total foreign exchange earned	5,946.10

**Registered Office:**

Growel Corporate,  
Akurli Road, Kandivli [East],  
Mumbai - 400 101

Date : June 30, 2021

**For & on behalf of the Board of  
Grauer & Weil (India) Limited**

**Nirajkumar More**  
Managing Director  
DIN : 00113191

**Vinod Haritwal**  
CEO & Whole-time Director  
DIN : 00112862

**FORM - 'A'**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY 2020-21**

**A. POWER AND FUEL CONSUMPTION :**

**I. ELECTRICITY**

a)	PARTICULARS	2020-21	2019-20
	Purchased Units (KWH in Lacs)	54.93	70.09
	Total amount (Rupees in Lacs)	491.57	793.25
	Average Rate / Unit (Rs.)	8.95	11.32

- b) Own generation : Limited electric power was generated through D.G. Sets installed exclusively for the purpose of emergency supply whenever there was power shortage to keep the system working.

**2. FURNACE / OTHER OIL**

	PARTICULARS	2020-21	2019-20
	Quantity (Liters in Lacs)	0.38	0.38
	Total amount (Rupees in Lacs)	30.87	25.14
	Average Rate / Unit (Rs.)	80.22	66.60

**3. GAS**

	PARTICULARS	2020-21	2019-20
	Quantity (SCM in Lacs)	1.98	3.02
	Total amount (Rupees in Lacs)	95.91	102.62
	Average Rate / Unit (Rs.)	48.56	34.01

**B. CONSUMPTION PER UNIT OF PRODUCTION :**

As the Company manufactures different types of custom - built plants and chemicals for various applications, it is impracticable to work out the cost of usage of energy on a per unit basis.

**FORM – 'B'****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION 2020-21****A. RESEARCH & DEVELOPMENT :****1. Specific areas in which R&D is carried out by the Company :**

- a. Non fluoroborate type high speed matt tin plating for electronic industries.
- b. Non fluoroborate type high speed bright tin plating for electronic & semi-conductor industries.
- c. Trivalent chrome based black passivation process for zinc & zinc alloys to get jet black finish along with higher corrosion resistance.
- d. ROHS compliant lead & cadmium free Electroless Nickel plating process.
- e. ROHS free Electroless Nickel Composite coating incorporating some strategic materials e.g. PTFE, Boron Nitride etc.
- f. Hard Chrome coating using Trivalent chrome based electrolyte.
- g. Non-cyanide silver plating.
- h. Neutral Nickel strike coating to replace usage of cyanide for plating on aluminium.
- i. Acid copper plating with very good gloss & levelling.
- j. Water based black pigmented sealer for black passivated zinc & zinc alloys to reinforce the black colouration.
- k. Phosphate coating for wire drawing applications.

**2. Benefits derived as a result of the above R&D :**

- a. Environment friendly ROHS Compliant processes to reduce both occupational & environment hazards.
  - ✓ Fluoroborate free for both matte & bright tin plating processes – should be suitable for reel to reel plating installations.
  - ✓ Cyanide free processes – Zinc, Silver etc.
  - ✓ Electroless nickel plating processes.
  - ✓ Trivalent chromates.
- b. Electroless nickel PTFE composite coating reduces frictional property.
- c. Auto industry has stopped replaced traditional hexavalent chrome based chromating processes with corrosion resistant trivalent chrome containing processes. Our commercialized processes in this space have found acceptance of the client & thereby, we could get sizable sales in this space.
- d. Water based sealers ensure the avoidance of the usage of solvents – complete freedom from VOC's – Lower environment footprint.
- e. Phosphate coating acts as sacrificial coat during wire drawing application & therefore, it prevents metals from galling. All these benefits ultimately leads towards improvements in service life of the dies of wire drawing industries – reduces operating cost to the users.

**3. Future plan of action:**

- a. Acid copper plating which could be operated at very high current densities – should be suitable for getting higher thickness at shorter plating time.
- b. Electroplated copper coating to obtain rose gold finish – suitable for decorative jewellery, hardware & faucet industries.
- c. Development of electroplated composite coating.
- d. Low / room temperature operated cleaning processes.
- e. Zincate free pretreatment to plate copper, nickel chrome on aluminium.
- f. Cyanide free brass & white bronze plating.
- g. Commercialization of Hard chrome coating from trivalent chrome based electrolytes.
- h. Pre-treatment of magnesium and its alloys for electroplating.
- i. Pre-treatment & Sealers of anodising chemicals.

**4. Expenditure on R & D :**

PARTICULARS	Rupees in Lacs	
	2020-21	2019-20
a) Capital	63.38	227.52
b) Recurring	935.40	980.51
<b>Total</b>	<b>998.78</b>	<b>1,208.03</b>
Total R&D expenditure as a percentage of total Turnover	1.61%	1.92%

**B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :**

- 1) Efforts, in brief made towards technology absorption, adaptation and innovation : The indigenous developments specifically in the areas of environment friendly processes have been adapted and applied for surface treatment.
- 2) Benefits derived as a result of the above efforts :
  - New processes have been introduced with emphasis on environment (Go green process) and recycling.
  - Specialized processes developed with high resistance to abrasion and corrosion, more specifically for the fast growing automotive industry.
- 3) **Particulars of technologies imported :**
  - a) Technology imported : Technic, Italy – specifically non-cyanide silver plating.
  - b) Year imported : 2018-19.
  - c) Has technology been fully absorbed? : Partly absorbed.



## ANNEXURE 'G' : TO DIRECTORS' REPORT STATEMENT OF DISCLOSURE OF REMUNERATION

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

Sr. No.	Name of Director/KMP	Ratio of Remuneration of Director to Median Remuneration of employees	% increase in remuneration in the financial year
<b>(A)</b>	<b>Whole-time Directors / Managerial Personnel</b>		
	Mr. Umeshkumar More	15.42	-13.40
	Mr. Nirajkumar More	30.62	-18.91
	Mr. RohitKumar More	8.23	-1.20
	Mr. Vinod Haritwal	36.31	-14.68
<b>(B)</b>	<b>Non-Executive Independent Directors</b>		
	Mr. Suresh Pareek	0.99	0.00
	Mr. Tarun Govil	0.99	0.00
	Mrs. Aarti Shah	0.70	3.09
	Mrs. Prerna Goradia	0.34	100
	Mr. S. K. Sakharkar	-	-
<b>(C)</b>	<b>Key Managerial Personnel</b>		
	Mr. Gurinder Singh Gulati	12.60	-10.85
	Mr. Chintan K. Gandhi	4.01	1.80
<b>(D)</b>	<b>The percentage Increase in the median remuneration of employees</b>	-3.28	
<b>(E)</b>	<b>Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.</b>	Average salary increase of non-managerial personnel : (12.57%) Average increase / (decrease) in managerial remuneration : (14.91%)	
<b>(F)</b>	<b>Permanent employees as on March 31, 2021</b>	852	

1. Mrs. Prerna Goradia and Mr. S. K. Sakharkar was appointed during the financial year, hence figures regarding % increase / decrease in their case are therefore not comparable.
2. The remuneration paid as above is as per the Remuneration Policy of the Company.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GRAUER & WEIL (INDIA) LIMITED

#### 1. Opinion

We have audited the accompanying standalone Ind AS financial statements of **Grauer & Weil (India) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2021, and its profit (financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

#### 2. Basis for Opinion

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

#### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	Our Response
I	<p><b>Evaluation of Provisions and Contingent Liabilities w.r.t. litigations and claims</b></p> <p>The Company has uncertain positions including matters under dispute which involves significant judgement to determine the possible outcome of the disputes</p>	<p>We performed the following substantive procedures:</p> <p>Testing the design, implementation and operating effectiveness of key internal controls around the recognition and measurement of provisions and re-assessment of development of contingent liabilities.</p> <p>We have assessed the value of significant provisions and contingent liabilities in light of the nature of the exposures, applicable regulations and related correspondence with the authorities.</p> <p>Evaluating judgements made by the Company by comparing the estimates of prior year to the actual outcome.</p> <p>Assessing the Company's disclosures in the financial statements in respect of provisions and contingent liabilities.</p>

Sr. No.	Key Audit Matter	Our Response
2	<b>Defined benefit obligation</b> The valuation of the retirement benefit schemes in the Company is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation	<p>We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit.</p> <p>We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, remeasurements, benefits paid, and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.</p>

#### 4. Information Other than the Standalone Ind AS Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, Business Responsibility Report, but does not include the Ind AS Financial Statements and our Auditor's Report thereon. Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

#### 6. Auditor's Responsibility for the audit of the Standalone Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

basis for our opinion, The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 7. Report on Other Legal and Regulatory Requirements

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

As required by Section 143(3) of the Act, based on our audit, we report that:

- 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.
- 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.
- The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) As required by section 197(16) of the Act, based on our audit, we report that the Company has paid and provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 standalone Ind AS financial statements – (Refer Note 34 A) to the Standalone Ind AS financial statements;
  - ii. The Company has long-term contracts including derivative contracts for which there were no material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

**For SCA AND ASSOCIATES***Chartered Accountants**Firm Registration No. 101174W***Shivratan Agarwal***Partner**Membership No. 104180**UDIN: 21104180AAAAIK7009**Place : Mumbai**Date : June 30, 2021*

**“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF GRAUER & WEIL (INDIA) LIMITED**

- i) In respect of its Property, Plant and Equipment
- The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
  - The assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of its business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
  - According to the information and explanations given to us and on the basis of our examination of the records of the Company the title deeds of immovable properties are held in the name of the Company.
- ii) The inventory, excluding goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- iii) The Company has not granted any loans, secured or unsecured during the year to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the clauses 3(iii) (a), (b) and (c) of the Order are not applicable to the Company. However, in respect of a loan given to an associate company in an earlier year, the receipt of interest is regular. There is no stipulation regarding repayment of principal amount.
- iv) The Company has not granted any loan, neither made any investments, nor given any guarantee or security, during the year, covered by the provisions of Sections 185 and 186 of the Act. However, the company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, advance to subsidiaries / associates and investments made therein.
- v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii) a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Service Tax, Goods and Services tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with appropriate authorities, where applicable. There are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.
- b) According to the records of the Company, the dues outstanding of Income-Tax, Value Added Tax, Service Tax, Duty of Customs, Duty of Excise and Sewerage Tax on account of any dispute, are as follows:

Particulars	Period to which the amount related	Forum where the dispute is pending	Amount (Rs. In Lacs)
Income Tax	2004-05	Income Tax Appellant Tribunal	9.68
	2011-12	Commissioner of Income Tax (Appeals)	14.59
Excise Duty	2014-15 to 2016-17	Commissioner of Excise & Customs (Appeals), Chandigarh	35.03
	2011-12 to 2015-16 2015-16 to 2017-18 2006-07 to 2011-12	CESTAT, Ahmedabad	267.38
	2006-07 to 2011-12	Additional Commissioner – Excise and Service tax, Vapi	37.58
Service Tax	2003-04 to 2006-07	CESTAT, Mumbai	70.88
	2010-2011 to 2014-15	CESTAT, Mumbai	76.48
	2015-16 & 2016-17	Deputy Commissioner, CGST, Thane	30.33



Particulars	Period to which the amount related	Forum where the dispute is pending	Amount (Rs. In Lacs)
Sales Tax/VAT/CST	1998-99	Deputy Commissioner (Appeal), Jaipur	11.07
	2013-14	Joint Commissioner of Sales Tax (Appeal)	194.12
	2015-16, 2016-2017	Joint Commissioner of State Tax (Appeal)	56.89
	2015-16, 2016-2017	Deputy Commissioner of State Tax	21.41
Sewerage Tax	2007-08 to 2011-12	Small Cause Court	34.00

- viii) The Company has not defaulted in repayment of its loans or borrowings to banks. The Company does not have any borrowings by way of debentures.
- ix) The Company has not raised any moneys by way of initial public offer or further public offer (Including debt instruments). Moneys raised by way of Term Loan were applied for the purpose for which those are raised.
- x) On the basis of our examination and according to the information and explanations given to us, no fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of any such case by the management.
- xi) The managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) The Company is not a Nidhi Company and accordingly provisions of clause (xii) of Para 3 of the order are not applicable to the Company.
- xiii) On the basis of our examination and according to the information and explanations given to us, we report that all the transaction with the related parties is in compliance with Section 177 and 188 of the Act, and the details have been disclosed in the Financial statements in Note No. 33(O) 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 and accordingly provisions of clause (xiv) of Para 3 of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, provisions of clause (xv) of Para 3 of the Order are not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, provisions of clause (xvi) of Para 3 of the Order are not applicable to the Company.

#### For SCA AND ASSOCIATES

Chartered Accountants

Firm Registration No.101174W

#### Shivratan Agarwal

Partner

Membership No.104180

UDIN: 21104180AAAAIK7009

Place : Mumbai

Date : June 30, 2021

## **“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF GRAUER & WEIL (INDIA) LIMITED**

Report on the Internal Financial Controls with reference to the aforesaid standalone Ind AS financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

### **Opinion**

We have audited the internal financial controls with reference to standalone Ind AS financial statements of **GRAUER & WEIL (INDIA) LIMITED** (“the Company”) as of March 31, 2021 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such controls were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI).

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

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

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone Ind AS financial statements 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 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 with reference to standalone Ind AS financial statements 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 with reference to standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls with reference to standalone Ind AS financial statements**

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

**Inherent Limitations of Internal Financial Controls with reference to standalone Ind AS financial statements**

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

**For SCA AND ASSOCIATES**

*Chartered Accountants*

*Firm Registration No. 101174W*

**Shivratan Agarwal**

*Partner*

*Membership No. 104180*

*UDIN: 21104180AAAAIK7009*

*Place : Mumbai*

*Date : June 30, 2021*

**STANDALONE BALANCE SHEET AS AT MARCH 31, 2021**

Rupees in Lacs

	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	22,008.17	22,110.43
Capital work-in-progress		362.91	131.94
Right of use assets	3	1,724.82	1,854.43
Other intangible assets	4	91.29	103.66
Financial assets			
Investments	5	256.22	259.16
Loans	6	-	45.08
Other financial assets	7	467.65	1,403.10
Income tax assets (net)	8	246.87	263.63
Other non-current assets	9	172.93	175.49
		<b>25,330.86</b>	<b>26,346.92</b>
<b>Current assets</b>			
Inventories	10	9,199.18	10,768.20
Financial assets			
Trade receivables	11	12,766.95	11,360.60
Cash and cash equivalents	12A	5,415.87	3,328.90
Other balances with banks	12B	19,975.96	10,192.13
Other financial assets	7	820.41	533.69
Other current assets	9	1,630.11	1,738.37
		<b>49,808.48</b>	<b>37,921.89</b>
<b>Total assets</b>		<b>75,139.34</b>	<b>64,268.81</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	SOCE	2,267.06	2,267.06
Other equity	SOCE	49,298.24	42,293.50
		<b>51,565.30</b>	<b>44,560.56</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	13	16.16	20.06
Lease liabilities		181.43	218.76
Other financial liabilities	14	1,675.93	1,272.69
Provisions	15	2,332.77	2,059.94
Deferred tax liabilities (net)	16	1,231.45	1,232.33
		<b>5,437.74</b>	<b>4,803.78</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	13	1,897.61	1,859.86
Lease liabilities		59.89	126.19
Trade payables			
Due to micro and small enterprises	18	460.54	791.20
Due to other than micro and small enterprises	18	9,003.66	7,366.69
Other financial liabilities	14	2,882.09	2,957.39
Other current liabilities	17	2,287.25	1,181.66
Provisions	15	218.53	213.49
Current tax liabilities (net)	19	1,326.73	407.99
		<b>18,136.30</b>	<b>14,904.47</b>
<b>Total equity &amp; liabilities</b>		<b>23,574.04</b>	<b>19,708.25</b>
		<b>75,139.34</b>	<b>64,268.81</b>
Significant accounting policies and key accounting estimates and judgements	I		
Explanatory information and other additional notes	2-34		

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

As per our report of even date attached

**For SCA AND ASSOCIATES**

Chartered Accountants  
(Firm Reg. No. 101174W)

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

**UMESHKUMAR MORE**

Chairman  
DIN: 00112662

**NIRAJKUMAR MORE**

Managing Director  
DIN: 00113191

**SHIVRATAN AGARWAL**

Partner  
Membership No. 104180

**VINOD HARITWAL**

CEO & Director  
DIN: 00112862

**GURINDER SINGH GULATI**

CFO & President Commercial  
Membership No. 090728

**CHINTAN K. GANDHI**

Company Secretary  
Membership No. 21369

Mumbai: June 30, 2021

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

Rupees in Lacs

	Note	2020-21	2019-20
<b>INCOME</b>			
Revenue from operations	20	60,478.37	61,724.32
Other income	21	1,474.17	1,167.98
<b>Total income</b>		<b>61,952.54</b>	<b>62,892.30</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	30,358.17	32,573.17
Purchase of stock-in-trade	23	307.70	533.19
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	767.36	(1,818.43)
Employee benefits expense	25	6,927.14	7,316.10
Finance costs	26	215.23	260.18
Depreciation and amortisation expense	27	1,832.97	1,894.72
Other expenses	28	12,037.97	13,456.49
<b>Total expenses</b>		<b>52,446.54</b>	<b>54,215.42</b>
<b>Profit before exceptional items and tax</b>		<b>9,506.00</b>	<b>8,676.88</b>
<b>Exceptional items</b> (Refer Note 30)		-	859.42
<b>Profit before tax</b>		<b>9,506.00</b>	<b>9,536.30</b>
<b>Tax expense</b>	29		
Current tax		2,520.37	2,392.00
Deferred tax		22.48	(435.13)
		<b>2,542.85</b>	<b>1,956.87</b>
<b>Profit after tax</b>		<b>6,963.15</b>	<b>7,579.43</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to Statement of Profit and Loss</b>			
Remeasurement of defined benefit plan	29	(92.79)	(146.94)
Income tax on remeasurement of defined benefit plan		23.35	36.98
<b>Total other comprehensive income</b>		<b>(69.44)</b>	<b>(109.96)</b>
<b>Total comprehensive income for the year</b>		<b>6,893.71</b>	<b>7,469.47</b>
<b>Earnings per equity share (in rupees)</b>	34P		
Basic		3.07	3.34
Diluted		3.07	3.34
Significant accounting policies and key accounting estimates and judgements	I		
Explanatory information and other additional notes	2-34		

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

**As per our report of even date attached****For SCA AND ASSOCIATES**

Chartered Accountants

(Firm Reg. No. 101174W)

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

Chairman

DIN: 00112662

**NIRAJKUMAR MORE**

Managing Director

DIN: 00113191

**SHIVRATAN AGARWAL**

Partner

Membership No. 104180

**VINOD HARITWAL**

CEO &amp; Director

DIN: 00112862

**GURINDER SINGH GULATI**

CFO &amp; President Commercial

Membership No. 090728

**CHINTAN K. GANDHI**

Company Secretary

Membership No. 21369

Mumbai: June 30, 2021

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

	Rupees in Lacs	
	2020-21	2019-20
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before exceptional item &amp; tax</b>	<b>9,506.00</b>	8,676.88
Exceptional Item (Refer Note 30)	-	859.42
<b>Profit before tax</b>	<b>9,506.00</b>	9,536.30
<b>Adjustment for :</b>		
Depreciation and amortisation expenses	1,832.97	1,894.72
Bad debts written off	53.22	161.32
Allowance for doubtful debt	2.76	23.43
Sundry balances written back	(215.27)	(67.76)
Finance costs	215.23	260.18
Loss/(gain) on property, plant & equipment sold/discarded (net)	(278.62)	5.04
Loss/(gain) on sale of investment	(88.06)	-
Net loss/(gain) arising on fair value change	19.14	(44.00)
Net unrealised foreign exchange loss/(gain)	(20.99)	(32.40)
Interest income	(938.54)	(760.74)
Dividend income	(0.28)	(0.44)
<b>Operating profit before working capital changes</b>	<b>10,087.56</b>	10,975.65
<b>Adjustments for changes in working capital</b>		
(Increase)/decrease in trade receivables	(1,441.69)	(365.97)
(Increase)/decrease in inventories	1,569.02	(1,527.81)
(Increase)/decrease in non current asset	(5.98)	106.65
(Increase)/decrease in current financial asset	108.26	(73.80)
(Increase)/decrease in other current asset	(286.72)	(361.81)
Increase/(decrease) in trade payables	1,521.93	2,175.47
Increase/(decrease) in non current liabilities	414.59	(209.80)
Increase/(decrease) in other current liabilities	1,115.42	(238.49)
Increase/(decrease) in non current provisions	180.04	181.62
Increase/(decrease) in current provisions	5.04	11.55
<b>Cash generated from operations</b>	<b>13,267.47</b>	10,673.26
Less: Direct taxes paid	(1,584.88)	(2,300.01)
<b>Net cash flow from operating activities (A)</b>	<b>11,682.59</b>	8,373.25
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment towards purchase of Property, Plant & Equipment	(1,847.24)	(2,253.47)
Proceeds from sale of Property, Plant & Equipment	328.47	68.87
Deposits/balance with banks with maturity more than 3 months	(8,836.41)	(3,832.33)
Proceeds from sale of investment	91.96	-
Interest received and dividend received	938.82	761.18
<b>Net cash flow from investing activities (B)</b>	<b>(9,324.40)</b>	(5,255.75)



	Rupees in Lacs	
	2020-21	2019-20
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Lease liability payment	(125.94)	(193.46)
Net proceeds/(repayment) of hire purchase credits	(28.41)	(75.81)
Proceeds/(repayment) of working capital facilities	77.75	(112.28)
Loan return/(given) to related parties	45.08	-
Net proceeds / (repayment) of loan from related parties	(40.00)	-
Interest paid	(204.82)	(266.65)
Dividend and corporate dividend tax	5.12	(3,001.41)
<b>Net cash flow from financing activities (C)</b>	<b>(271.22)</b>	<b>(3,649.61)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>2,086.97</b>	<b>(532.11)</b>
<b>Cash and cash equivalents as at the beginning of the period (Refer Note 12A)</b>	<b>3,328.90</b>	<b>3,861.01</b>
<b>Cash and cash equivalents as at the end of the period (Refer Note 12A)</b>	<b>5,415.87</b>	<b>3,328.90</b>

Note:

- The above Cash Flow Statement has been prepared under the Indirect Method.
- Reconciliation of liabilities arising from financing activities:

	March 31, 2021	March 31, 2020
Opening balance	1,923.32	2,111.41
Cash inflow/(outflow) of non current borrowings	(3.90)	(43.39)
Cash inflow/(outflow) of current borrowings	13.24	(144.70)
Closing balance	1,932.66	1,923.32

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

**As per our report of even date attached**

**For SCA AND ASSOCIATES**

Chartered Accountants  
(Firm Reg. No. 101174W)

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

**UMESHKUMAR MORE**

Chairman  
DIN: 00112662

**NIRAJKUMAR MORE**

Managing Director  
DIN: 00113191

**SHIVRATAN AGARWAL**

Partner  
Membership No. 104180

**VINOD HARITWAL**

CEO & Director  
DIN: 00112862

**GURINDER SINGH GULATI**

CFO & President Commercial  
Membership No. 090728

**CHINTAN K. GANDHI**

Company Secretary  
Membership No. 21369

Mumbai: June 30, 2021

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

Rupees in Lacs

EQUITY SHARE CAPITAL	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Authorised share capital	500,000,000	5,000.00	500,000,000	5,000.00
Issued share capital	226,705,750	2,267.06	226,705,750	2,267.06
Subscribed share capital	226,705,750	2,267.06	226,705,750	2,267.06
Fully paid-up share capital	226,705,750	2,267.06	226,705,750	2,267.06
Balance at the beginning of the year	226,705,750	2,267.06	226,705,750	2,267.06
Balance at the end of the reporting year	226,705,750	2,267.06	226,705,750	2,267.06

**Rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital**

The Company has one class of equity shares having a par value of Re. 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

Shares in the Company held by each shareholder holding more than five per cent shares	As at March 31, 2021		As at March 31, 2020	
	No.	%	No.	%
Mr. Umeshkumar More	22,805,999	10.06%	22,805,999	10.06%
Mr. Nirajkumar More	17,852,106	7.87%	17,852,106	7.87%
Mrs. Premlata More	12,724,455	5.61%	12,724,455	5.61%
M/s. Growel Projects LLP	12,558,000	5.54%	12,558,000	5.54%
M/s. Poona Bottling Company Private Limited	42,886,151	18.92%	42,866,573	18.91%
M/s. Ridhi Sidhi Limited	32,359,000	14.27%	32,359,000	14.27%

Rupees in Lacs

OTHER EQUITY	Reserves and Surplus		Other Comprehensive Income	TOTAL
	General Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	
Balance as at April 01, 2019	37,167.53	973.50	(265.06)	37,875.97
Profit for the year ending March 31, 2020	-	7,579.43	-	7,579.43
Less: Charge on account of transitional adjustment on lease Ind AS 116 net off deferred tax Rs. 23.34 Lacs	(45.58)	-	-	(45.58)
Other comprehensive income for the year ending March 31, 2020	-	-	(109.96)	(109.96)
<b>Total comprehensive income for the year ending March 31, 2020</b>	<b>(45.58)</b>	<b>7,579.43</b>	<b>(109.96)</b>	<b>7,423.89</b>
<b>Transactions with owners in their capacity as owners:</b>				
Dividends and dividend distribution tax				
- Final Dividend FY 2018-19 (Rs. 0.60 per share)	-	(1,360.23)	-	(1,360.23)
- Interim Dividend FY 2019-20 (Rs. 0.50 per share)	-	(1,133.53)	-	(1,133.53)
- Dividend distribution tax	-	(512.60)	-	(512.60)
Transfer to general reserves	5,000.00	(5,000.00)	-	-
<b>Balance as at March 31, 2020</b>	<b>42,121.95</b>	<b>546.57</b>	<b>(375.02)</b>	<b>42,293.50</b>

Rupees in Lacs

OTHER EQUITY	Reserves and Surplus		Other Comprehensive Income	TOTAL
	General Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	
Profit for period ending March 31, 2021	-	6,963.15	-	6,963.15
Add: Transaction cost relating to amalgamation written back	111.04	-	-	111.04
Other comprehensive income for period ending March 31, 2021	-	-	(69.44)	(69.44)
<b>Total comprehensive income for period ending March 31, 2021</b>	<b>111.04</b>	<b>6,963.15</b>	<b>(69.44)</b>	<b>7,004.75</b>
<b>Transactions with owners in their capacity as owners:</b>				
Dividends and dividend distribution tax				
- Dividend distribution tax	-	(0.01)	-	(0.01)
Transfer to general reserve	6,000.00	(6,000.00)	-	-
<b>Balance as at March 31, 2021</b>	<b>48,232.99</b>	<b>1,509.71</b>	<b>(444.46)</b>	<b>49,298.24</b>

Nature and purpose of each component of equity	Nature and purpose
i. General reserve	General reserve represents accumulated profits and is created by transfer of profits from retained earnings and it is not an item of other comprehensive income.
ii. Retained earnings	Retained earnings are the profits that the Company has earned till date, less any transfer to general reserves & dividend.
iii. Remeasurements of defined benefit plans	Gains/losses arising on remeasurements of defined benefit plans are recognised in the other comprehensive income as per IND AS-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.

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

**As per our report of even date attached**

**For SCA AND ASSOCIATES**

Chartered Accountants  
(Firm Reg. No. 101174W)

**SHIVRATAN AGARWAL**

Partner  
Membership No. 104180

Mumbai: June 30, 2021

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

**UMESHKUMAR MORE**

Chairman  
DIN: 00112662

**VINOD HARITWAL**

CEO & Director  
DIN: 00112862

**CHINTAN K. GANDHI**

Company Secretary  
Membership No. 21369

**NIRAJKUMAR MORE**

Managing Director  
DIN: 00113191

**GURINDER SINGH GULATI**

CFO & President Commercial  
Membership No. 090728

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

### **NOTE 1: SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**

#### **A) General Information:**

Grauer & Weil (India) Limited (the "Company") is a Public Limited Company incorporated in India having its registered office at Growel Corporate, Akurli Road, Kandivli (East), Mumbai 400 101. The Company is engaged in the business of manufacturing and selling of Surface Finishings besides Engineering and Shoppertainment business. The Company presently has its manufacturing facilities in Dadra, Vapi (Gujarat), Barotiwala (Himachal Pradesh), Samba (Jammu & Kashmir) besides Engineering division at Khed (Pune District) and Mall at Kandivli (Mumbai).

#### **B) Basis of preparation of financial statements:**

The principal accounting policies applied in the preparation of these financial statements are set out in para C below. These policies have been consistently applied to all the years presented.

##### **i) Statement of compliance:**

These Standalone Financial Statements have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

The financial statements of the Company for the year ended March 31, 2021 are authorised for issue by the Board of Directors of the Company at the meeting held on June 30, 2021.

##### **ii) Basis of preparation and presentation:**

The financial statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013, except for the following material items that have been measured at fair value as required by the relevant Ind AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of initial recognition.

- a) Certain financial assets/liabilities measured at fair value (*Refer Note 33 -Fair Values and Hierarchy*)
- b) Employees Defined Benefit Plan as per actuarial valuation
- c) Any other item as specifically stated in the accounting policy

The Company reclassifies comparable amounts unless impracticable and whenever the Company changes the presentation or classification of items in financial statements materially. No such material reclassification has been made during the year.

The financial statements are presented in Indian Rupees which is the functional currency of the Company and the currency of the primary economic environment in which Company operates. Figures have been rounded off to rupees Lacs unless otherwise stated.

##### **iii) Major sources of estimation uncertainty:**

In the application of accounting policies which are described in Para C below, the management is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are:

##### **- Property, Plant and Equipment (PPE):**

Useful life of PPE and intangible assets are as specified in Schedule II to the Companies Act, 2013 and on certain assets based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support. The Company reviews the useful life of PPE at the end of each reporting period. This reassessment may result in change in depreciation charge in future periods.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021****- Inventories:**

Inventory obsolescence is based on assessment of the future uses. In all cases, inventory is carried at the lower of historical cost and net realisable value.

**- Lease:**

Lease accounting after evaluating the right to use the underlying assets, substance of the transactions including legally enforceable arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Ind AS 116.

**- Impairment of non-financial assets:**

For calculating the recoverable amount of non-financial assets, the Company is required to estimate the value-in-use of the asset or the Cash Generating Unit and the fair value less cost of disposal. For calculating value-in-use the Company is required to estimate the cash flows to be generated from using the asset. The fair value of an asset is estimated using a valuation technique where observable prices are not available. Further the discount rate used in value-in-use calculations includes an estimate of risk assessment specific to the asset.

**- Impairment of financial assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**- Defined benefit plans:**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**- Fair value measurement of financial instruments:**

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

**- Income tax and Deferred tax assets :**

Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amounts expected to be paid/reversed for uncertain tax positions.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

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

### C) Summary of Significant Accounting Policies:

#### I) Property, Plant and Equipment (PPE):

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses if any, except for freehold land which is not depreciated. Cost includes purchase price (after deducting trade discount / rebate) import duties, non-refundable taxes, cost of replacing the component parts, borrowing costs and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management.

Spares parts procured along with the Plant and Equipment or subsequently which meets the definition and recognition criteria of PPE considering the concept of materiality are capitalized and added to the carrying amount of such items. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as 'stores and spares' forming part of the inventory. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

Management has assessed applicability of Ind AS 40 - Investment Property to the Mall property. In assessing such applicability, management has considered the ownership of assets, terms of license agreements, various services provided to the licensees, etc. Based on such assessment, the management has considered the Mall property as owner occupied property and hence classified as Property, Plant and Equipment.

Expenditure on acquisition of PPE for Research and Development (R&D) is included in PPE and depreciation thereon is provided as applicable.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss when the asset is derecognised.

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with Ind AS 105 and the date that the asset is derecognised. Depreciation on all assets is provided on straight line basis.

Description of the asset	Estimated useful life
<b>Tangible:</b>	
Land – Leasehold	Primary period of lease
Building	
– Factory	30 Years
– Other than factory buildings	60 Years
Plant and Equipment	10 to 20 Years
Furniture and Fixtures	10 Years
Computer Servers	6 Years
Computers	3 Years
Laboratory Equipment	10 Years
Office Equipment	5 Years
Vehicles Four Wheelers	8 Years
Vehicles Two Wheelers	10 Years
<b>Intangible:</b>	
Software (up to FY 2018-19)	5 Years
Software (from FY 2019-20)	3 Years



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

Further, the Company has identified and determined separate useful life for each major component of fixed assets, if they are materially different from that of the remaining assets, for providing depreciation in compliance with Schedule II of the Companies Act, 2013.

Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 2) Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets.

An item of intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### 3) CWIP:

CWIP are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing costs. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefit associated with these will flow to the Company and the cost of the item can be measured reliably. Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

### 4) Impairment of Property, Plant and Equipment (PPE):

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

### 5) Inventories:

Raw Materials, packing materials and stores and spares are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, packing materials and stores and spares is determined on daily moving weighted average cost basis.

Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

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

### **6) Leases:**

The Company has adopted Ind AS 116-Leases using the modified retrospective method.

#### **Where the Company is a lessee-**

At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is, or contains, a lease if a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract conveys the right to use an identified asset;
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the identified asset.

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

Lease liability is measured by discounting the lease payments using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

Lease payments are allocated between principal and finance cost. The finance cost is charged to statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and restoration costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. ROU assets are depreciated on a straight-line basis over the asset's useful life or the lease whichever is shorter. Impairment of ROU assets is in accordance with the Company's accounting policy for impairment of tangible and intangible assets.

#### **Where the Company is a lessor-**

Lease income from operating leases where the Company is a lessor is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

Management has assessed applicability of Ind AS 116 – Leases, to the Mall property. In assessing such applicability, management has considered the ownership of assets, terms of license agreements, various services provided to the licensees, etc. Since the licensee does not have the right to obtain substantially all the economic benefits from the use of the asset or does not have complete right to direct the use of the asset, the Management is of the view that Ind AS 116 – Leases is not applicable to the Mall property.

### **7) Government grants:**

Government grants/subsidy are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants/subsidy will be received.

Grants/subsidy related to income are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis. Government grants/subsidy that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with no future related costs are recognized in the Statement of Profit and Loss in the period in which they become receivable. Grants/subsidy related to income are presented under other income in the Statement of Profit and Loss except for grants/subsidy received in the form of rebate or exemption which are deducted in reporting the related expense. Grant/subsidy receivable against a specific fixed asset is deducted from the cost of the relevant fixed asset.

### **8) Provisions, contingent liabilities and contingent assets:**

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount

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

required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

### 9) Foreign currency transactions:

The financial statements of Company are presented in Indian Rupees, which is also the functional currency. In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction. Exchange difference on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

### 10) Share capital and securities premium:

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as securities premium.

### 11) Dividend distribution to equity shareholders:

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

### 12) Cash flows and Cash and cash equivalents:

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant Ind AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 13) Revenue recognition:

The Company derives revenues primarily from sale of goods comprising Surface Finishings. The revenue of Engineering division is from design, fabrication and manufacture of surface coating equipment and plant. In respect of Mall revenue is derived from Business Conducting/License Fees.

The following is a summary of significant accounting policies related to revenue recognition:

Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for turnover/product/prompt payment discounts to customer as specified in the contract with the customers. When the level of discount varies with increase in levels of

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

revenue transactions, the Company recognises the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. The Company recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers.

Use of significant judgements in revenue recognition.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as turnover/product/prompt payment discounts. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

### **i. Sale of goods:**

Revenue from sale of goods is recognized, at a point in time when control is transferred to customer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It excludes Value added tax/Sales tax, Goods and Services tax. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

### **ii. Engineering division:**

Equipment manufactured by the Engineering division for use by other divisions is included in the Sales at transfer price and are capitalised by other division.

### **iii. Income from Business conducting/Licence fees:**

Income arising out of Business Conducting/License Fees is accounted at contracted rates, keeping in view, the collectability of the resulting receivables is reasonably assured and is disclosed net of indirect taxes, if any.

### **iv. Revenue from amenities provided:**

Revenue from amenities provided is recognized at value of service and is disclosed net of indirect taxes, if any. Recoveries made against common area maintenance expenses are netted of against expenses.

### **v. Job contract receipts:**

The Company follows the "Percentage of Completion Method" of accounting for all contracts. The revenue from the execution of contracts is recognized proportionately with the degree of completion achieved under each contract, matching revenue with expenses incurred and is accounted over a period of time.

### **vi. Rendering of services:**

Revenue from rendering of services is recognized as per the terms of the contract with customers when related services are performed and when the outcome of the transactions involving rendering of services can be estimated reliably.

### **vii. Dividend income:**

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

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

### viii. Interest income:

Interest income on financial assets measured at amortised cost is recognised on a time-proportion basis using the effective interest method.

### ix. Insurance and other claims:

Insurance and other claims/refunds, due to uncertainty in realisation are accounted for on acceptance/actual receipt basis.

## 14) Borrowing costs:

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, discounts / premiums, financing charges, exchange difference to the extent they are regarded as interest costs and all ancillary / incidental costs incurred in connection with the arrangement of borrowing.

Borrowing costs which are directly attributable to acquisition / construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of cost pertaining to those assets. All other borrowing costs are recognised as expense in the period in which they are incurred.

The capitalisation on borrowing costs commences when the Company incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

## 15) Employee benefits:

### i. Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

### ii. Long term employee benefits:

The cost of providing long term employee benefit such as earned leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. The expected costs of the benefit is accrued over the period of employment using the same methodology as used for defined benefits post employment plans. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in which they arise except those included in cost of assets as permitted. The benefit is valued annually by an independent actuary.

### iii. Post employment benefits:

The Company provides the following post employment benefits:

- i) Defined benefit plans such as gratuity; and
- ii) Defined contributions plans such as provident fund.

### iv. Defined benefits plans:

The cost of providing benefits on account of gratuity are determined using the projected unit credit method on the basis of actuarial valuation made at the end of each balance sheet date, which recognises each period of service as given rise to additional unit of employees benefit entitlement and measuring each unit separately to build up the final obligation. The yearly expenses on account of these benefits are provided in the books of accounts.

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss except those included in cost of assets as permitted.

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest as defined above) are recognized in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognized in the Statement of Profit and Loss except those included in cost of assets as permitted in the period in which they occur.

### **v. Defined contribution plans:**

Payments to defined contribution retirement benefit plans, viz., Provident Fund for eligible employees, and Superannuation benefits are recognized as an expense when employees have rendered the service entitling them to the contribution.

## **16) Taxes on income:**

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

### **a) Current tax:**

Current tax includes provision for Income tax computed under special provision (i.e., Minimum alternate tax) or normal provision of Income Tax Act. Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

### **b) Deferred tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## **17) Earnings per share:**

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

For calculating diluted earnings per share the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



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

### 18) Current versus non-current classification:

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

#### a) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

#### b) A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

#### c) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

### 19) 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these financial statements is determined in on such basis except for inventories, leases and value in use of non- financial assets. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets and Financial liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

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

### **20) Segment reporting:**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

### **21) Financial instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

#### **a) Financial assets:**

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Company.

#### **Investments in subsidiaries:**

Investments in equity shares of subsidiaries are carried at cost less impairment.

#### **Financial assets other than investment in subsidiaries:**

Financial assets of the Company comprise trade receivable, cash and cash equivalents, bank balances, investments in equity shares of companies other than in subsidiaries, investment other than equity shares, loans/advances to employee/related parties/others, security deposit, claims recoverable etc.

#### **Initial recognition and measurement:**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in Statement of Profit and Loss and in other cases spread over life of the financial instrument using effective interest method.

#### **Subsequent measurement:**

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

#### **Financial assets measured at amortized cost:-**

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss in finance costs.

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

### Financial assets at fair value through OCI (FVTOCI):-

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement. On derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognised in OCI is reclassified to income statements.

### Financial assets at fair value through profit or loss (FVTPL):-

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit and Loss.

### Derecognition:

The Company derecognises a financial asset only 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 entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

### Impairment of financial assets:

The Company assesses impairment based on expected credit loss (ECL) model on the following:

- Financial assets that are measured at amortised cost.
- Financial assets measured at fair value through other comprehensive income (FVTOCI).

ECL is measured through a loss allowance on a following basis:

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Company follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Company to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Impairment loss allowance (or reversal) recognized during the year is recognized as expense/income in the Statement of Profit and Loss.

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

### **b) Financial liabilities:**

The Company's financial liabilities include loans and borrowings including book overdraft, trade payable, accrued expenses and other payables.

#### **Initial recognition and measurement:**

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss depending upon the level of fair value.

#### **Subsequent measurement:**

The subsequent measurement of financial liabilities depends upon the classification as described below:-

- Financial liabilities classified as amortised cost
- Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate. Interest expense that is not capitalised as part of costs of assets is included as finance costs in the Statement of Profit and Loss.

#### **Financial Liabilities at Fair value through Profit and Loss (FVTPL):-**

- FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities have not been designated upon initial recognition at FVTPL.

#### **Derecognition:**

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

#### **Offsetting of financial instruments:**

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

### **c) Derivatives**

Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument and is recognised in Other Comprehensive Income (OCI).

Cash flow hedges shall be reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss. If hedge of a forecast transaction results in the recognition of a non-financial asset or a non-financial liability, then the gain or loss that are accumulated in the cash flow hedge reserve is recognised in the initial cost or other carrying amount of the asset or liability (this is also referred to as "Basis Adjustment").

### **22) Recent accounting pronouncements:**

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification issued prior to March 31, 2021 which would have been applicable from April 1, 2021.

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

## NOTE 2: PROPERTY, PLANT AND EQUIPMENT

Rupees in Lacs

Nature of fixed assets	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
	As at April 01, 2020	Additions	Deductions	Other adjustments	As at March 31, 2021	As at April 01, 2020	Provided for the year	Other adjustments	Deductions adjustments	As at March 31, 2021	As at March 31, 2020
Tangible assets											
Land - Freehold	3,214.87	-	5.68	-	3,209.19	-	-	-	-	3,209.19	3,214.87
Buildings	13,901.74	733.94	-	-	14,635.68	2,021.05	547.22	-	-	2,568.27	11,880.69
Plant and machinery	7,371.24	596.03	21.44	(25.61)	7,971.44	2,279.08	716.32	(25.85)	9.49	3,011.76	5,092.16
Laboratory equipment	166.36	2.71	7.64	(0.01)	161.44	62.78	14.60	(0.01)	4.63	72.76	103.58
R and D equipment	1,266.82	60.67	-	-	1,327.49	380.40	114.09	-	-	494.49	886.42
Furniture and fixtures	820.10	21.85	0.48	(0.06)	841.53	532.43	95.47	(0.06)	0.23	627.73	287.67
Vehicles	861.81	130.16	54.23	-	937.74	430.71	92.14	-	25.80	497.05	431.10
Office equipment	349.42	36.89	2.01	(0.24)	384.54	135.48	54.82	-	1.48	188.82	213.94
Total	27,952.36	1,582.25	91.48	(25.92)	29,469.05	5,841.93	1,634.66	(25.92)	41.63	7,460.88	22,110.43

Nature of fixed assets	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
	As at April 01, 2019	Additions	Deductions	Reclassified on account of adoption of Ind AS 116	As at March 31, 2020	As at April 01, 2019	Provided for the year	Reclassified on account of adoption of Ind AS 116	Deductions adjustments	As at March 31, 2020	As at March 31, 2019
Tangible assets											
Land											
a) Freehold	3,214.87	-	-	-	3,214.87	-	-	-	-	-	3,214.87
b) Leasehold	1,672.74	-	-	1,672.74	-	68.00	-	68.00	-	-	1,604.74
Buildings	13,218.72	683.02	-	-	13,901.74	1,472.06	548.99	-	-	2,021.05	11,746.66
Plant and machinery	6,146.23	1,289.25	64.24	-	7,371.24	1,615.38	665.44	-	1.74	2,279.08	4,530.85
Laboratory equipment	143.36	23.67	0.67	-	166.36	47.60	15.40	-	0.22	62.78	95.76
R and D equipment	1,069.49	203.86	6.53	-	1,266.82	274.27	106.13	-	-	380.40	795.22
Furniture and fixtures	770.12	50.25	0.27	-	820.10	395.44	137.02	-	0.03	532.43	374.68
Vehicles	855.73	9.50	3.42	-	861.81	337.06	94.12	-	0.47	430.71	518.67
Office equipment	224.96	125.70	1.24	-	349.42	89.94	45.54	-	-	135.48	135.02
Total	27,316.22	2,385.25	76.37	1,672.74	27,952.36	4,299.75	1,612.64	68.00	2.46	5,841.93	23,016.47

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

**NOTE 3: RIGHT OF USE ASSETS**

Rupees in Lacs

Nature of fixed assets	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 01, 2020	Additions	Deductions	Other adjustments	As at March 31, 2021	As at April 01, 2020	Provided for the year	Other adjustments	As at March 31, 2021
Leasehold land	1,709.11	-	0.94	-	1,708.17	100.38	32.24	-	1,576.49
Buildings	349.79	22.31	123.86	-	248.24	104.09	119.68	-	148.33
Motor vehicle	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,058.90</b>	<b>22.31</b>	<b>124.80</b>	<b>-</b>	<b>1,956.41</b>	<b>204.47</b>	<b>151.92</b>	<b>-</b>	<b>1,724.82</b>

Nature of fixed assets	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 01, 2019	Additions	Deductions	Other adjustments	As at March 31, 2020	As at April 01, 2019	Provided for the year	Other adjustments	As at March 31, 2020
Leasehold land	1,672.74	36.37	-	-	1,709.11	68.00	32.38	-	1,608.73
Buildings	-	387.61	37.82	-	349.79	-	141.91	-	245.70
Motor vehicle	-	53.69	53.69	-	-	-	53.69	-	-
<b>Total</b>	<b>1,672.74</b>	<b>477.67</b>	<b>91.51</b>	<b>-</b>	<b>2,058.90</b>	<b>68.00</b>	<b>227.98</b>	<b>-</b>	<b>1,854.43</b>

(Refer Note 34 R)

**NOTE 4: OTHER INTANGIBLE ASSETS**

Rupees in Lacs

Nature of fixed assets	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 01, 2020	Additions	Deductions	Other adjustments	As at March 31, 2021	As at April 01, 2020	Provided for the year	Other adjustments	As at March 31, 2021
Computer software	284.41	34.02	-	-	318.43	180.75	46.39	-	91.29
<b>Total</b>	<b>284.41</b>	<b>34.02</b>	<b>-</b>	<b>-</b>	<b>318.43</b>	<b>180.75</b>	<b>46.39</b>	<b>-</b>	<b>103.66</b>

Nature of fixed assets	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 01, 2019	Additions	Deductions	Other adjustments	As at March 31, 2020	As at April 01, 2019	Provided for the year	Other adjustments	As at March 31, 2020
Computer software	240.13	44.28	-	-	284.41	126.65	54.10	-	103.66
<b>Total</b>	<b>240.13</b>	<b>44.28</b>	<b>-</b>	<b>-</b>	<b>284.41</b>	<b>126.65</b>	<b>54.10</b>	<b>-</b>	<b>113.48</b>



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

### NOTE 5: INVESTMENTS

NON CURRENT INVESTMENTS	As at March 31, 2021		As at March 31, 2020	
	Nos.	Rupees in Lacs	Nos.	Rupees in Lacs
<b>A) Quoted (Other than Trade)</b> <b>(Carried at fair value through Statement of Profit and Loss)</b> <b>In fully paid-up Equity Shares of Rs. 10 each</b>				
Sunflag Iron & Steel Company Limited	2,000	1.26	2,000	0.48
Ginni Filaments Limited	900	0.18	900	0.05
<b>In fully paid-up Equity Shares of Rs. 2 each</b> Punjab National Bank	1,175	0.43	1,175	0.38
<b>B) Unquoted (Trade)</b> <b>In Associates (carried at cost)</b>				
Grauer & Weil Engineering Private Limited (Fully paid up Equity shares of Rs. 10/- each)	149,980	-	149,980	-
Growel Sidasa Industries Private Limited (Fully paid up Equity shares of Rs. 10/- each)	1,288,300	-	1,288,300	-
Grauer & Weil (Thailand) Co. Limited (Fully paid up Equity shares of THB 100/- each)	58,800	83.83	58,800	83.83
<b>In Subsidiaries (carried at cost)</b>				
Grauer & Weil (Shanghai) Limited (Fully Paid up)	2,328,460	-	2,328,460	-
Grauer & Weil (UK) Limited (Fully paid up Equity shares of Sterling Pound of 1 each)	-	-	1	-
Growel Chemicals Co. Limited (Equity shares of THB 100 each)	100,000	164.72	100,000	164.72
<b>Other Investments (carried at cost)</b> The Saraswat Co-operative Bank Limited (Fully paid up Equity shares of Rs. 10/- each)	5,000	0.50	5,000	0.50
<b>C) Unquoted (Other than Trade)</b> <b>Other Investments (carried at cost)</b> <b>In fully paid-up Equity Shares of Rs. 100 each</b>				
Poona Bottling Company Private Limited (Fully paid-up Equity shares of Rs. 100/- each)	-	-	91,960	3.90
<b>Other Investment</b> <b>(Carried at fair value through Statement of Profit and Loss)</b> <b>In fully paid-up Equity Shares of Rs. 10 each</b>				
Shree Vaishnavi Dyeing & Printing Limited	1,500	-	1,500	-
Arihant Threads Limited	2,100	-	2,100	-
Rasik Plast Limited	13,500	-	13,500	-
Surlux Health Centres Limited	1,000	-	1,000	-
Shivalik Solid Waste Management Limited	20,000	5.11	20,000	5.11
Crystal Software Solutions Limited	8,600	-	8,600	-
Indo-French Bio-tech Enterprises Limited	89,800	-	89,800	-
National Savings Certificates		0.19		0.19
		256.22		259.16
	<b>Cost Rs.</b>	<b>Market value Rs.</b>	<b>Cost Rs.</b>	<b>Market value Rs.</b>
Aggregate market value of quoted investments		1.87		0.91
Aggregate book value of unquoted investments	254.35		258.25	

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

**NOTE 6: LOANS**

Rupees in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Unsecured - considered good				
Loans and advances to related parties (Refer Note 34 O)	-	45.08	-	-
	-	45.08	-	-

**NOTE 7: OTHER FINANCIAL ASSETS**

Rupees in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Unsecured - considered good				
Interest receivable				
From related parties (Refer Note 34 O)	-	-	-	0.90
From others	-	-	520.59	396.85
Other receivable	-	-	299.82	135.94
Security deposits	271.47	261.01	-	-
Term deposits with maturity for more than 12 months (Refer Note 12)	140.00	1,087.42	-	-
Term deposits held as margin money against bank guarantees	56.18	54.67	-	-
	467.65	1,403.10	820.41	533.69

**NOTE 8: INCOME TAX ASSETS (NET)**

Rupees in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Advance income tax (Net of provisions)	246.87	263.63	-	-
	246.87	263.63	-	-

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021****NOTE 9: OTHER ASSETS**

Rupees in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Capital advances	169.79	169.79	139.33	64.93
Advances other than capital advances				
Advances to employees	3.14	5.70	16.05	50.80
Advances to suppliers	-	-	293.26	399.24
Prepaid expenses	-	-	27.21	28.54
Balances with government authorities				
VAT receivable	-	-	75.21	74.64
CENVAT credit receivable	-	-	9.23	2.24
Service tax credit receivable	-	-	8.50	8.50
Goods and service tax	-	-	1,061.32	1,109.48
	172.93	175.49	1,630.11	1,738.37

**NOTE 10: INVENTORIES**

Rupees in Lacs

	As at March 31, 2021	As at March 31, 2020
At lower of cost and net realisable value		
Raw materials	4,093.36	4,630.79
Raw materials-in-transit	414.55	712.29
	4,507.91	5,343.08
Work-in-progress	1,280.79	1,386.74
Finished goods	3,028.61	3,687.02
Finished goods - traded	54.79	57.79
	3,083.40	3,744.81
Stores and spares	327.08	293.57
	9,199.18	10,768.20

**NOTE 11: TRADE RECEIVABLES**

Rupees in Lacs

	As at March 31, 2021	As at March 31, 2020
Secured considered good	672.09	608.29
Unsecured considered good	12,094.86	10,752.31
	12,766.95	11,360.60
Trade receivables - credit impaired	26.19	23.43
Less: Impairment provision for expected credit loss	(26.19)	(23.43)
	12,766.95	11,360.60

Note:

- 1) The Company has used practical expedient for computing Expected Credit Loss allowance for trade receivables wherever necessary, taking into account historical credit loss experience adjusted for forward looking estimates.
- 2) For receivables from related parties (Refer Note 34 O)

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

**NOTE 12: CASH AND BANK BALANCES**

Rupees in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
(A) Cash & cash equivalents				
Balances with banks				
In current accounts	-	-	4,850.39	2,732.65
In EEFC accounts	-	-	550.31	574.40
Cash on hand	-	-	15.17	21.85
	-	-	5,415.87	3,328.90
(B) Other balances with banks				
Unpaid dividend accounts	-	-	79.25	74.12
Term deposits with maturity for less than 12 months	-	-	19,896.71	10,118.01
Term deposits with maturity for more than 12 months	140.00	1,087.42	-	-
	140.00	1,087.42	19,975.96	10,192.13
Amount included under the head 'Other Financial Assets' (Refer Note 7)	(140.00)	(1,087.42)	-	-
	-	-	19,975.96	10,192.13

**NOTE 13: BORROWINGS**

Rupees in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Secured				
Hire purchase credits	16.16	20.06	18.89	43.40
Loans repayable on demand from banks	-	-	1,390.61	1,312.86
Unsecured				
Loans and advances from related parties (Refer Note 34 O)	-	-	507.00	547.00
	16.16	20.06	1,916.50	1,903.26
Amounts disclosed under the head 'Other Financial Liabilities' (Refer Note 14)	-	-	(18.89)	(43.40)
	16.16	20.06	1,897.61	1,859.86

**Nature of security and terms of repayment:**

Hire purchase credits are for purchase of cars. These facilities are secured by first charge on respective cars against which the specific facility has been taken from the Bank. The loan amount is repayable in equitable monthly installments with interest rates ranging from 7.65% p.a. to 8.70% p.a. (PY 7.76% p.a. to 9.50% p.a.) as applicable and are expected to be fully repaid as per the respective repayment schedules and shall get fully repaid between Sept 2022 to March 2024.

The working capital facilities are secured by hypothecation of all stocks, moveable assets and book debts by way of first charge on pari-passu basis and are further collaterally secured by second pari-passu charge on the block assets of Shopping mall at Kandivali, Mumbai as per respective banking arrangement. The working capital facility is repayable on demand and carries interest rate ranging from 7.40% p.a. to 8.75% p.a. (PY 8.05% p.a. to 9.15% p.a.).

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

### NOTE 14: OTHER FINANCIAL LIABILITIES

Rupees in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Current maturities of long term debt (Refer Note 13)	-	-	18.89	43.40
Unpaid dividend*	-	-	79.25	74.12
Others				
Deposits from licensees and dealers	1,675.93	1,272.69	354.58	590.70
Security deposit from employees	-	-	67.34	90.50
Payable towards capital expenditure	-	-	47.05	48.91
Payable to employees	-	-	80.38	83.24
Expenses payable	-	-	2,221.90	2,024.03
Others	-	-	12.70	2.49
	1,675.93	1,272.69	2,882.09	2,957.39

\* There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

### NOTE 15: PROVISIONS

Rupees in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits				
Leave benefits	-	-	-	2.19
Gratuity	2,332.77	2,059.94	218.53	211.30
	2,332.77	2,059.94	218.53	213.49

### NOTE 16: DEFERRED TAX LIABILITIES (NET)

Rupees in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Deferred tax liability				
- Depreciation	1,896.08	1,930.08	-	-
Deferred tax asset				
- Accrued expenses allowable on actual payments	(503.22)	(497.20)	-	-
- Income tax on Ind AS adjustments	(161.41)	(200.55)	-	-
	1,231.45	1,232.33	-	-

### NOTE 17: OTHER LIABILITIES

Rupees in Lacs

	Current	
	As at March 31, 2021	As at March 31, 2020
Contractual liabilities	1,169.05	563.42
Deferred income	123.80	98.61
Statutory dues payable towards:		
Central sales tax & VAT	0.12	5.66
PF, ESIC etc	55.69	58.52
Service tax	213.85	213.85
TDS	141.62	99.76
Goods and service tax	583.12	141.84
	2,287.25	1,181.66

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

**NOTE 18: TRADE PAYABLES**

Rupees in Lacs

	<b>Current</b>	
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Total outstanding dues to Micro Enterprises and Small Enterprises (Refer Note 34 I)	<b>460.54</b>	791.20
Total outstanding dues of other creditors	<b>9,003.66</b>	7,366.69
	<b>9,464.20</b>	8,157.89

**NOTE 19: CURRENT TAX LIABILITIES (NET)**

Rupees in Lacs

	<b>Current</b>	
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Provision for Income tax (Net of advance tax)	<b>1,326.73</b>	407.99
	<b>1,326.73</b>	407.99

**NOTE 20: REVENUE FROM OPERATIONS**

Rupees in Lacs

	<b>2020-21</b>	<b>2019-20</b>
<b>Revenue from contract with customers</b>		
<b>Sale of products</b>	<b>63,731.62</b>	62,879.64
Less: Trade discount	<b>4,988.35</b>	5,535.68
	<b>58,743.27</b>	57,343.96
<b>Business conducting fees/Licence fees and related income</b>	<b>1,113.06</b>	3,412.79
<b>Other operating revenues</b>		
Erection & commissioning charges	<b>35.71</b>	447.13
Testing analysis charges	<b>8.89</b>	12.40
License fees	<b>11.80</b>	35.00
IGST refund / Budgetary support	<b>131.49</b>	161.02
Scrap sales	<b>174.32</b>	194.04
Sundry balances written back	<b>216.85</b>	67.76
Others	<b>42.98</b>	50.22
	<b>622.04</b>	967.57
<b>Revenue from operations</b>	<b>60,478.37</b>	61,724.32

The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 - Revenue from Contracts with Customers. Hence, no separate disclosure of disaggregate revenues are reported. (Refer Note 34 N)

The contractual liabilities primarily relate to advance consideration received from customers for which revenue is recognised when the performance obligation is over.

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

	2020-21	2019-20
<b>Contractual liabilities</b>		
Opening balance as on April 01	563.42	711.24
Add: Fresh advances from customers	10,157.76	1,085.57
Less: Advance adjusted against invoices	(9,552.13)	(1,233.39)
Closing balance as on March 31	1,169.05	563.42

**NOTE 21: OTHER INCOME**

	2020-21	2019-20
Interest income	938.54	760.74
Dividend income on non current investments	0.28	0.44
Net gain on sale of fixed assets	278.62	-
Net gain on foreign currency transactions and translation	-	241.86
Profit on sale of investments	88.06	-
Bad debts written off earlier now recovered	-	19.95
Insurance claim	12.17	7.37
Lease income	2.52	2.52
Export duty drawback	130.22	82.77
Miscellaneous receipts	23.76	52.33
	1,474.17	1,167.98

**NOTE 22: COST OF MATERIALS CONSUMED**

	2020-21	2019-20
Opening stock	4,630.79	4,763.43
Add: Purchases	30,235.29	32,440.53
	34,866.08	37,203.96
Less: Closing stock	4,507.91	4,630.79
	30,358.17	32,573.17

**NOTE 23: PURCHASE OF STOCK IN TRADE**

	2020-21	2019-20
Traded goods	307.70	533.19

**NOTE 24: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

	2020-21	2019-20
<b>Closing Stock</b>		
Traded goods	54.79	57.79
Work-in-progress	1,280.79	1,386.74
Finished goods	3,028.61	3,687.02
	4,364.19	5,131.55
<b>Opening Stock</b>		
Traded goods	57.79	39.50
Work-in-progress	1,386.74	1,127.10
Finished goods	3,687.02	2,146.52
	5,131.55	3,313.12
Net (increase)/decrease in opening and closing stock	767.36	(1,818.43)



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

**NOTE 25: EMPLOYEE BENEFITS EXPENSE**

Rupees in Lacs

	2020-21	2019-20
Salaries, wages, bonus and allowances	6,226.09	6,556.71
Contribution to provident and other funds	246.62	269.57
Staff welfare expenses	454.43	489.82
	6,927.14	7,316.10
<b>Employee benefits:</b>		
(a) During the year the Company has recognised the following in the Statement of Profit and Loss:		
(i) <b>Defined contribution plans:</b>		
Employer's contribution to provident fund*	95.33	113.84
Employer's contribution to superannuation fund*	28.20	30.50
*included in "Contribution to provident and other funds"		
(ii) <b>Defined benefit plans:</b>		
	<b>Gratuity *Partly Funded / Unfunded</b>	<b>Gratuity *Partly Funded / Unfunded</b>
Current service cost	170.19	137.85
Interest cost	157.97	153.14
Expected return on plan assets	(3.08)	(3.28)
Actuarial (gain)/loss	92.79	146.94
Net cost	417.87	434.65
(b) <b>Reconciliation of benefit obligations and plan assets for the year:</b>		
Present value of defined benefit obligation	2,599.55	2,316.33
Fair value of plan assets	(48.25)	(45.09)
Net asset/(liability) as at March 31, 2021 recognised in the balance sheet	2,551.30	2,271.24
Experience adjustments on plan liabilities-(gain)/loss	142.80	(2.80)
Experience adjustments on plan assets-(loss)/gain	0.08	(0.33)
(c) <b>Change in defined benefit obligation:</b>		
Present value of obligation as at April 01, 2020	2,316.33	1,968.35
Current service cost	170.19	137.85
Interest cost	157.97	153.14
Actuarial (gain)/loss	92.87	146.61
Benefits paid	(137.81)	(89.62)
Present value of obligation as at March 31, 2021	2,599.55	2,316.33

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

	2020-21	2019-20
<b>(d) Change in plan assets:</b>	<b>Gratuity *Partly Funded</b>	<b>Gratuity *Partly Funded</b>
Opening fair value of plan assets on April 01, 2020	45.09	42.14
Expected return on plan assets	3.08	3.28
Actuarial gain/(loss)	0.08	(0.33)
Closing fair value of plan assets as on March 31, 2021	48.25	45.09
<b>(e) Reconciliation of expected return and actual return on plan assets:</b>		
Expected return on plan assets	3.08	3.28
Actuarial gain/(loss)	0.08	(0.33)
Actual return on plan assets	3.16	2.95
<b>(f) Reconciliation of opening and closing net liability / (asset) recognized in the balance sheet:</b>	<b>Gratuity *Partly Funded / Unfunded</b>	<b>Gratuity *Partly Funded / Unfunded</b>
Opening net liability as on April 01, 2020	2,271.24	1,926.21
Expenses as recognized in the statement of profit and loss	417.87	434.65
Benefits paid	(137.81)	(89.62)
Net liability/(asset)	2,551.30	2,271.24
<b>Sensitivity analysis:-</b>		
Projected benefit obligation on current assumptions	2,599.55	2,316.33
Delta effect of +1% change in rate of discounting	(127.25)	(152.23)
Delta effect of -1% change in rate of discounting	141.03	178.77
Delta effect of +1% change in rate of salary increase	137.39	177.56
Delta effect of -1% change in rate of salary increase	(126.49)	(157.06)
Delta effect of +1% change in rate of employee turnover	(15.68)	0.02
Delta effect of -1% change in rate of employee turnover	16.81	(0.48)
<b>(g) Investments under plan assets as on March 31, 2021:</b>		
LIC group gratuity (cash accumulation) policy - 100%		
<b>(h) The principal actuarial assumptions:</b>		
Discount rate	6.33%	6.82%
Salary escalation rate	8.00%	6.50%
Expected rate of return on plan assets	6.33%	6.82%
The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		

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

(i) **Amount recognised in the current year and previous four years**

Rupees in Lacs

Gratuity	As at 31st March				
	2021	2020	2019	2018	2017
Defined benefit obligation	2,599.55	2,316.33	1,968.35	1,763.52	1,583.18
Fair value of plan assets	48.25	45.09	42.14	39.09	36.31
(Surplus) / deficit in the plan	2,551.30	2,271.24	1,926.21	1,724.43	1,546.87
Actuarial (gain)/loss on plan obligation	92.87	146.61	5.77	12.83	386.99
Actuarial gain/(loss) on plan assets	0.08	(0.33)	(0.03)	0.05	0.20

**NOTE 26: FINANCE COSTS**

Rupees in Lacs

	2020-21	2019-20
Interest on financial liabilities carried at amortised cost	191.62	230.11
Interest on lease liability	23.61	30.07
	215.23	260.18

**NOTE 27: DEPRECIATION AND AMORTISATION EXPENSE**

Rupees in Lacs

	2020-21	2019-20
Depreciation of property, plant and equipment (Refer Note 2)	1,634.66	1,612.64
Depreciation of right of use assets (Refer Note 3)	151.92	227.98
Amortisation of intangible assets (Refer Note 4)	46.39	54.10
	1,832.97	1,894.72

**NOTE 28: OTHER EXPENSES**

Rupees in Lacs

	2020-21	2019-20
Stores and spares consumed	689.30	457.09
Packing materials consumed	2,222.36	2,204.87
Power and fuel	428.74	529.33
Job work charges	4,504.44	4,262.36
Drawings, designs and layout expenses	27.36	43.10
Rent	87.80	74.28
Repairs and Renewals:		
Buildings	128.60	378.62
Plant and machinery	246.50	445.68
Other assets	156.64	291.89
	531.74	1,116.19
Insurance	219.01	222.57
Rates and taxes	112.18	171.66
Printing and stationery	55.43	73.68
Travelling and conveyance	290.83	627.15
Communication expenses	79.35	90.95
Legal and professional charges	697.22	839.72
Auditors' remuneration:		
As auditors	5.50	5.21
For tax audit	1.50	1.39
For other services	1.50	1.39
Reimbursement of expenses	-	0.92
	8.50	8.91

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

	2020-21	2019-20
Cost auditors' remuneration:		
As auditors	1.58	1.58
Directors' fees	5.50	5.55
Loss on fixed assets sold / discarded (net)	-	5.04
Loss on foreign currency transactions and translation	38.86	-
Vehicle expenses	67.94	68.02
Donations and contributions	34.00	36.57
Business promotion	100.77	237.24
VAT / GST Expenses	41.74	148.62
Service tax	0.22	1.84
Freight and forwarding (net)	1,191.88	1,127.56
Bad debts written off	53.22	161.32
Provision for expected credit loss	2.76	23.43
Research and development expenses	154.73	183.58
Discount and commission	4.53	22.64
Guards and security	175.02	181.99
Common area maintenance expenses (Net)	(523.75)	(122.33)
Bank charges	69.39	65.35
Corporate social responsibility	185.53	82.87
Fees & registration	40.56	65.65
SAP expenses	65.02	48.33
Royalty expenses	31.20	17.50
Membership & subscription	19.93	21.06
Administrative & other expenses	165.96	180.70
Miscellaneous expenses	157.12	170.52
	<b>12,037.97</b>	<b>13,456.49</b>

**NOTE 29: INCOME TAXES**

Rupees in Lacs

	2020-21	2019-20
<b>a Income tax recognised in Statement of Profit and Loss</b>		
Current tax		
In respect of current year	2,520.37	2,392.00
Deferred tax		
In respect of current year	(83.78)	42.20
In respect of prior year	106.26	-
Changes in statutory tax rate	-	(477.33)
<b>b Income tax recognised in Other Comprehensive Income</b>		
Remeasurement of defined benefit plans	(23.35)	(36.98)
	<b>2,519.50</b>	<b>1,919.89</b>
<b>Reconciliation of tax expense and the accounting profit for the year:</b>		
<b>Current tax</b>		
Profit before tax	9,506.00	9,536.30
Other comprehensive income	(92.79)	(146.94)
	<b>9,413.21</b>	<b>9,389.36</b>

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

	<b>2020-21</b>	<b>2019-20</b>
Income tax expenses	<b>2,369.12</b>	2,363.11
Tax effect on non- deductible expenses	<b>85.59</b>	29.07
Tax impact in respect of sale of investment	<b>(22.16)</b>	-
Effect of income that is exempted from tax		(6.99)
Tax reversal of earlier years	<b>106.26</b>	-
Effect of change in tax rate	-	(477.33)
Tax impact in respect of capital gain on sale of Land	<b>(22.14)</b>	
Others	<b>2.83</b>	12.03
<b>Tax expense as per Statement of Profit and loss</b>	<b>2,519.50</b>	1,919.89
<b>Deferred tax</b>		
The breakup of Deferred tax:		
- Depreciation	<b>(34.00)</b>	(648.35)
- Accrued expenses allowable on actual payments	<b>(6.02)</b>	213.14
- Income tax on Ind AS adjustments	<b>39.15</b>	(36.90)
	<b>(0.87)</b>	(472.11)

**NOTE- 30: EXCEPTIONAL ITEMS**

On January 1, 2019, a fire broke out in one of the production units of the Company at Vapi resulting in loss of assets comprising of inventories, building, plant & machinery and other fixed assets.

These assets were adequately insured on reinstatement basis, the book value of these assets at Rs. 618.78 Lacs on the date of claim was duly debited to the Statement of Profit and Loss and was disclosed as an Exceptional Item in FY 2018-19.

During FY 2019-20, the Company received Rs. 806.71 Lacs from Insurance Company as part settlement of claim and Rs. 52.71 Lacs towards scrap realisation on disposal of damaged assets and the same has been disclosed as Extraordinary Income. The reinstatement of some of these assets is still in progress and the balance claim is expected to be finalised once the reinstatement is completed.

**NOTE- 31: CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves, long term funds attributable to the Equity Shareholders of the Company. The primary objective of the Company's Capital Management is to maximise shareholders value and keep the debt equity ratio within acceptable range. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Non-current long term borrowings	<b>16.16</b>	20.06
Loans repayable on demands from banks	<b>1,390.61</b>	1,312.86
Current maturity of long term debt	<b>18.89</b>	43.40
<b>Gross debt</b>	<b>1,425.66</b>	1,376.32
Less - Cash and cash equivalents	<b>5,415.87</b>	3,328.90
Less - Other bank deposits	<b>20,036.71</b>	11,205.43
<b>Adjusted net debt</b>	<b>(24,026.92)</b>	(13,158.01)
Total equity	<b>51,565.30</b>	44,560.56
<b>Adjusted net debt to equity ratio</b>	<b>(0.47)</b>	(0.30)

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

### NOTE- 32: FINANCIAL RISK MANAGEMENT

The Company's activities expose it to various financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company by setting appropriate limits and controls and monitoring such risks. The policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

#### Credit risk

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Company is exposed to credit risk arising from its operating (primarily trade receivables) and investing activities including deposits placed with banks.

The Company exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through close monitoring of receivables and having a strict control on allowing the credit period to customers. Additionally, the Company does not have any significant concentration of exposures to specific industry sectors or specific country risks.

The Company limits its exposure to credit risk for investments by generally investing in fixed deposits and only with counterparties that have a good credit rating.

Considering that significant part of Company's sales in Surface Finishings division is either with established dealer network where payments are generally in advance/cash on delivery or with direct customers wherein credit worthiness as well as credit limits, wherever possible, are closely monitored on a case to case basis by Management, Company expects a low probability of default on Trade Receivables as on March 31, 2021. Going forward Management has factored in the uncertainties for deliveries subsequent to March 31, 2021.

#### Liquidity risk

Liquidity Risk is the risk that the Company will not be able to meet the financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both, normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has unutilised working capital limits from banks of Rs. 8,609 Lacs as on March 31, 2021 (Rs. 8,687 Lacs as on March 31, 2020), cash and cash equivalents of Rs. 5,415.87 Lacs as on March 31, 2021 (Rs. 3,328.90 Lacs as on March 31, 2020) and in fixed deposits of Rs. 20,036.71 Lacs as on March 31, 2021 (Rs. 11,205.43 Lacs as on March 31, 2020). Therefore, Company does not expect any material Liquidity risk.

With significant investments in fixed deposits, cash in hand and available borrowing lines as mentioned above, the Company does not envisage any material effect on its liquidity.

The table below provides details regarding the contractual maturities of significant financial liabilities

Rupees in Lacs

	Less than 1 year	1-3 years	More than 3 years	Total
<b>As at March 31, 2021</b>				
Non current borrowings	-	16.16	-	16.16
Non current financial liabilities	-	636.16	1,039.77	1,675.93
Current borrowings	1,897.61	-	-	1,897.61
Trade payable	9,464.20	-	-	9,464.20
Other financial liabilities	2,882.09	-	-	2,882.09
<b>As at March 31, 2020</b>				
Non current borrowings	-	20.06	-	20.06
Non current financial liabilities	-	789.56	483.13	1,272.69
Current borrowings	1,859.86	-	-	1,859.86
Trade payable	8,157.89	-	-	8,157.89
Other financial liabilities	2,957.39	-	-	2,957.39

For maturity profile of lease liabilities (Refer Note 34R)

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

### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes investments, trade payables, trade receivables and loans.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal.

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company generally enters into forward exchange contracts to hedge its foreign currency exposures for imports wherever required.

The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

Rupees in Lacs

Currency	Liabilities		Assets	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
US Dollars	169.54	335.89	1,100.27	887.49
EURO	12.29	2.41	325.53	44.58
JPY	-	12.40	-	9.28

The table below demonstrates the sensitivity to a 1% increase or decrease in the foreign currency against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 1% represents management's assessment of reasonably possible change in foreign exchange rate.

Rupees in Lacs

Change in rate	Liabilities		Assets	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
+1%	183.65	354.20	1,440.06	950.76
-1%	180.01	347.19	1,411.54	931.94

### Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and bonds.

The Company does not have significant investments in quoted shares. Hence the 10% price sensitivity upward /downward will not have any material impact on the profitability of the Company.



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

### NOTE- 33: FAIR VALUES AND HIERARCHY

#### Financial instruments – Fair values

##### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below

Rupees in Lacs

As at March 31, 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial assets</b>								
Investments	1.87	-	254.35	256.22	-	1.87	254.35	256.22
Others financial assets (Non current)	-	-	467.65	467.65	-	-	467.65	467.65
Trade receivables	-	-	12,766.95	12,766.95	-	-	12,766.95	12,766.95
Cash and cash equivalents	-	-	5,415.87	5,415.87	-	-	5,415.87	5,415.87
Other balances with banks	-	-	19,975.96	19,975.96	-	-	19,975.96	19,975.96
Others financial assets (Current)	-	-	820.41	820.41	-	-	820.41	820.41
	<b>1.87</b>	<b>-</b>	<b>39,701.19</b>	<b>39,703.06</b>	<b>-</b>	<b>1.87</b>	<b>39,701.19</b>	<b>39,703.06</b>
<b>Financial liabilities</b>								
Borrowings (Non current)	-	-	16.16	16.16	-	-	16.16	16.16
Lease liabilities (Non current)	-	-	181.43	181.43	-	-	181.43	181.43
Other financial Liabilities (Non current)	-	-	1,675.93	1,675.93	-	-	1,675.93	1,675.93
Borrowings (Current)	-	-	1,897.61	1,897.61	-	-	1,897.61	1,897.61
Lease liabilities (Current)	-	-	59.89	59.89	-	-	59.89	59.89
Trade payables	-	-	9,464.20	9,464.20	-	-	9,464.20	9,464.20
Other financial Liabilities (Current)	-	-	2,882.09	2,882.09	-	-	2,882.09	2,882.09
	<b>-</b>	<b>-</b>	<b>16,177.31</b>	<b>16,177.31</b>	<b>-</b>	<b>-</b>	<b>16,177.31</b>	<b>16,177.31</b>

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

Rupees in Lacs

As at March 31, 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial assets</b>								
Investments	0.91	-	258.25	259.16	-	0.91	258.25	259.16
Loans (Non current)	-	-	45.08	45.08	-	-	45.08	45.08
Others financial assets (Non current)	-	-	1,403.10	1,403.10	-	-	1,403.10	1,403.10
Trade receivables	-	-	11,360.60	11,360.60	-	-	11,360.60	11,360.60
Cash and cash equivalents	-	-	3,328.90	3,328.90	-	-	3,328.90	3,328.90
Bank balances	-	-	10,192.13	10,192.13	-	-	10,192.13	10,192.13
Others financial assets (Current)	-	-	533.69	533.69	-	-	533.69	533.69
	<b>0.91</b>	<b>-</b>	<b>27,121.75</b>	<b>27,122.66</b>	<b>-</b>	<b>0.91</b>	<b>27,121.75</b>	<b>27,122.66</b>
<b>Financial liabilities</b>								
Borrowings (Non current)	-	-	20.06	20.06	-	-	20.06	20.06
Lease liabilities (Non current)	-	-	218.76	218.76	-	-	218.76	218.76
Other financial Liabilities (Non current)	-	-	1,272.69	1,272.69	-	-	1,272.69	1,272.69
Borrowings (Current)	-	-	1,859.86	1,859.86	-	-	1,859.86	1,859.86
Lease liabilities (Current)	-	-	126.19	126.19	-	-	126.19	126.19
Trade payables	-	-	8,157.89	8,157.89	-	-	8,157.89	8,157.89
Other financial Liabilities (Current)	-	-	2,957.39	2,957.39	-	-	2,957.39	2,957.39
	<b>-</b>	<b>-</b>	<b>14,612.84</b>	<b>14,612.84</b>	<b>-</b>	<b>-</b>	<b>14,612.84</b>	<b>14,612.84</b>

**B. Measurement of fair values**

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used:

Financial instruments measured at fair value

Type	Valuation technique
Forward contracts for foreign exchange contracts	Forward pricing : The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Non current financial assets / liabilities measured at amortised cost	Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

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

### NOTE- 34: EXPLANATORY INFORMATION AND OTHER ADDITIONAL NOTES

#### A. Contingent liabilities not provided for:

Rupees in Lacs

	As at March 31, 2021	As at March 31, 2020
<b>Disputed matters in appeal / contested in respect of:</b>		
- Income tax	24.27	24.26
- Excise duty/ Service tax (Paid Rs. 91.02 Lacs (PY Rs. 91.02 Lacs))	608.70	611.85
- VAT (Paid Rs. 34.19 Lacs (PY Rs. 31.20 Lacs))	317.68	236.39
- Others (Paid Rs. 32 Lacs (PY Rs. 32 Lacs))	66.00	66.00
<b>Bank guarantees</b>	<b>1,723.04</b>	<b>1,281.29</b>

It is not possible for the Company to estimate the timing of cash flows, if any, in respect of above pending matters.

#### B. Capital and other commitment:

Rupees in Lacs

	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	705.52	502.14

#### C. Trade receivables include:

Rupees in Lacs

	As at March 31, 2021	As at March 31, 2020
<b>Debts due from Companies in which directors are interested</b>		
Grauer & Weil Engineering Private Limited	5.68	5.68
Growel Chemicals Co. Limited	152.11	245.22

#### D. Loans and advances include:

Rupees in Lacs

	As at March 31, 2021	As at March 31, 2020
<b>Loans to an Associate company</b>		
Grauer & Weil (Thailand) Co. Limited - (including interest of NIL, Previous year Rs. 0.89 Lacs)	-	45.97

#### E. Disclosure pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

##### Loan to an Associate Company:

	Amount Outstanding	Maximum Balance during the year	Shares held by the Loanee Company	
			No. of Shares held at the year end	Maximum No. of Shares held during the year
	Rupees in Lacs			
Grauer & Weil (Thailand) Co. Limited	-	45.08	Nil	Nil
	(45.08)	(45.08)	(Nil)	(Nil)

##### Notes:

- The above loan advanced prior to April 1, 2014 for the purpose of working capital carries an interest @ 8% p.a. (PY @ 8% p.a.)
- (Refer Note 5) for Investments
- Previous year figures are in brackets

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

**F.** In the opinion of the Board, the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of the business.

**G.** Research & Development activities during the year at its R&D Centre at Kandivli and at its Paint Division at Chembur:

Rupees in Lacs

No.	Particulars	2020-21	2019-20
i)	Salaries, Wages, Bonus & Allowances	641.26	741.62
ii)	Chemicals consumed	174.91	126.52
iii)	Travelling & Conveyance	24.93	49.80
iv)	Repairs & Maintenance	20.87	11.83
v)	Other expenses	22.08	18.73
	<b>Total</b>	<b>884.05</b>	<b>948.50</b>
	Less: Testing & analysis charges	(8.89)	(12.40)
	<b>Total</b>	<b>875.16</b>	<b>936.10</b>

**Note:**

- Depreciation includes Rs. 114.09 Lacs (PY Rs. 106.13 Lacs) in respect of fixed assets used for research & development.
- Capital expenditure on research & development during the year is Rs. 60.67 Lacs (PY Rs. 203.86 Lacs).
- The Company has received the approval of In-house Research & Development facility at R&D centre, Kandivli, Mumbai & B. D. Patil Marg, Chembur, Mumbai granted by Government of India, Ministry of Science & Technology, Department of Scientific & Industrial Research vide their Letter No. TU/IV-RD/113/2020 dated April 1, 2020 for a further period 3 years upto March 31, 2023.
- The Research & Development expenditure incurred during the year at other locations of the Company not included in above is as follows:

Rupees in Lacs

	2020-21	2019-20
Revenue expenditure	60.24	44.41
Capital expenditure	2.71	23.67

\*Including expenditure incurred in setting up and operations of new R&D lab at Dadra

**H.** The Company enters into forward exchange contracts being derivative instruments, which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the date of settlement.

**(i) Outstanding position in respect of forward exchange contracts :**

Purpose	No. of Contracts	USD	GBP	JPY	Equivalent INR
Rupees in Lacs					
Forward contracts in respect of foreign currency payables	22	5.18	0.61	320.91	661.50
	(13)	(7.09)	-	(42.63)	(553.07)

**(ii) Un-hedged foreign currency exposure:**

Particulars	JPY	USD	EURO	GBP	BDT	Equivalent INR
Rupees in Lacs						
Receivable/Bank balances	-	14.78	3.85	-	-	1,425.80
	(17.73)	(3.21)	(0.36)	(0.58)	(0.01)	(354.01)
Payable	-	0.76	0.14	-	-	68.73
	-	(12.06)	-	-	-	(715.14)

Previous year figures are in brackets.

**(iii)** Mark to market loss on forward cover as on March 31, 2021 is of Rs. 6.15 Lacs (PY Profit of Rs. 13.95 Lacs)

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

### I. Micro, Small and Medium Enterprise Development Act, 2006

The information given below and that given in Note 18: Trade Payables regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Rupees in Lacs

No.	Particulars	2020-21	2019-20
i)	Principal amount due to suppliers under MSMED	460.54	791.20
ii)	Interest accrued and due to suppliers under MSMED on above amount, unpaid	0.04	1.98
iii)	Payments made to suppliers (other than interest) beyond the appointed date during the year	2,456.79	1,410.45
iv)	Interest paid to suppliers under the MSMED	-	-
v)	Interest due and payable towards suppliers under MSMED Act towards payments already made	18.97	17.57
vi)	Amount of cumulative interest accrued and unpaid as at the year-end	124.38	87.01

### J. Details of Contracts in progress

Rupees in Lacs

No.	Particulars	2020-21	2019-20
a)	Contract receipt for work done	3,374.34	3,288.17
b)	Contract costs for work done	3,356.96	3,105.78
c)	Amount of retention	160.61	136.76
d)	Amount due from customers for contract billing	249.48	402.80
e)	Amount due to sub contractors for contract billing	796.74	907.66

### K. Donations to a political party

Rupees in Lacs

	2020-21	2019-20
Donations to a political party	-	11.00

L. During the year the Company has closed down its subsidiary Grauer & Weil UK Ltd. There is no material impact on the financials of the company.

### M. Corporate Social Responsibility

Rupees in Lacs

		2020-21	
Average Net Profit for last three years		9,276.67	(8,578.23)
Gross amount required to be spent by the Company during the year		185.53	(171.56)
Amount spent during the year on:		In cash	Yet to be paid in cash
(i)	Construction/ acquisition of an asset	-	-
(ii)	On purposes other than (i) above	71.42	-
		(82.87)	-
			(82.87)

Previous year figures are in brackets.

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

**N. Segment reporting**

The following tables present revenue and profit/(loss) information regarding business/ geographical segments for the year ended March 31, 2021 and certain assets and liabilities information regarding business and geographical segments as at March 31, 2021

**(a) Primary segment reporting**

Rupees in Lacs

	Surface Finishings	Engineering	Shoppertainment	Total
<b>Segment revenue</b>				
<b>Income from operations</b>	<b>52,928.12</b>	<b>6,323.22</b>	<b>1,227.03</b>	<b>60,478.37</b>
	(53,413.23)	(4,897.63)	(3,394.07)	(61,704.93)
Add : Other income	<b>128.07</b>	<b>14.86</b>	<b>32.23</b>	<b>175.16</b>
	(252.69)	(40.37)	(45.10)	(338.16)
Add : Unallocable				1,299.00
				(849.21)
<b>Total revenue</b>	<b>53,056.19</b>	<b>6,338.08</b>	<b>1,259.26</b>	<b>61,952.54</b>
	(53,665.92)	(4,938.00)	(3,439.17)	(62,892.30)
<b>Segment results</b>	<b>9,291.06</b>	<b>1,249.60</b>	<b>709.80</b>	<b>11,250.47</b>
	(9,648.41)	(139.55)	(2,357.40)	(12,145.36)
Less : Finance cost				<b>215.23</b>
				(260.18)
Less : Other unallocable expenditure net of unallocable Income				<b>1,529.24</b>
				(2,348.88)
<b>Profit before tax</b>				<b>9,506.00</b>
				(9,536.30)
Less : Provision for current and deferred tax				<b>2,542.85</b>
				(1,956.87)
<b>Profit after tax</b>				<b>6,963.15</b>
				(7,579.43)
Segment assets	<b>35,358.29</b>	<b>3,524.64</b>	<b>9,226.56</b>	<b>48,109.49</b>
	(33,651.84)	(2,531.60)	(9,595.52)	(45,778.96)
Unallocated corporate assets				<b>27,029.85</b>
				(18,489.85)
<b>Total assets</b>				<b>75,139.34</b>
				(64,268.81)
<b>Segment liabilities</b>	<b>11,988.34</b>	<b>3,094.45</b>	<b>2,360.90</b>	<b>17,443.69</b>
	(10,780.60)	(1,852.06)	(2,191.82)	(14,824.48)
Unallocated corporate liabilities				<b>57,695.65</b>
				(49,444.33)
<b>Total liabilities</b>				<b>75,139.34</b>
				(64,268.81)
Capital expenditure	<b>1,627.38</b>	<b>95.58</b>	<b>53.67</b>	
	(1,562.75)	(71.51)	(173.31)	
Depreciation	<b>947.68</b>	<b>86.10</b>	<b>639.35</b>	
	(973.86)	(82.03)	(687.46)	

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

### (b) Secondary segment reporting

Rupees in Lacs

	Domestic	Foreign	Total
Revenue	55,891.15 (57,781.87)	6,061.39 (5,110.43)	61,952.54 (62,892.30)
Total assets	73,912.67 (63,155.22)	1,226.67 (1,113.59)	75,139.34 (64,268.81)

Note : Previous year's figures are in brackets

### O. Related party disclosure

#### a) List of related parties

##### Subsidiaries

Grauer & Weil (Shanghai) Limited  
 Grauer & Weil (UK) Limited (upto 06/10/2020)  
 Growel Chemicals Co. Limited

##### Associates

Grauer & Weil Engineering Private limited (erstwhile Growel Goema (I) Private Limited)  
 Growel Sidasa Industries Private Limited  
 Grauer & Weil (Thailand) Co. Limited

**Key Management Personnel, their relatives and enterprises where significant influence exists, with whom the Company had transactions during the year**

#### Key Management Personnel

Mr. Umeshkumar More	Chairman
Mr. Nirajkumar More	Managing Director
Mr. Rohitkumar More	Whole Time Director
Mr. Vinod Haritwal	CEO & Whole Time Director
Mr. Suresh Pareek	Independent Director
Mr. Yogesh Samat (Up to 24/03/2020)	Independent Director
Mr. Yogesh Samat (From 25/03/2020 to 30/03/2020)	COO & Director
Mr. Tarun Kumar Govil	Independent Director
Mrs. Aarti Shah (upto 11-02-2021)	Independent Director
Dr. Prerna Goradia (w.e.f. 29-07-2020)	Independent Director
Mr. Shashikant Keshav Sakhalakar (w.e.f. 11-02-2021)	Independent Director (Additional Director)
Mr. Gurinder Singh Gulati	Chief Financial Officer
Mr. Chintan K. Gandhi	Company Secretary

#### Enterprises of Key Management Personnel (KMP)

Bubna More and Company LLP  
 Digikore Design LLP  
 Digikore Studios Private Limited  
 Growel Corporate Management Limited  
 Growel Projects LLP  
 Growel Softech Private Limited  
 Poona Bottling Company Private Limited  
 Radhakishan Nandlal LLP  
 Ridhi Sidhi Limited  
 Waluj Beverages LLP  
 Nirajkumar Umeshkumar More (HUF)



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

**Relatives of Key Management Personnel**

Mr. Rameshkumar More	Father of Mr. Rohitkumar More
Mrs. Premrata More	Wife of Mr. Umeshkumar More
Mrs. Pallavi More	Wife of Mr. Nirajkumar More
Mrs. Manisha Dujodwala	Daughter of Mr. Umeshkumar More
Mrs. Shivani Rajgarhia	Daughter of Mr. Umeshkumar More
Mrs. Dinal Gandhi	Wife of Mr. Chintan K. Gandhi
Mr. Aman More	Son of Mr. Nirajkumar More
Mr. Yash More	Son of Mr. Nirajkumar More

**b) Related party transactions (Excluding reimbursements)**

Rupees in Lacs

Particulars	Subsidiary		Associates		Enterprise of KMP		KMP		Relatives of KMP		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Directors sitting fees	-	-	-	-	-	-	5.50	5.55	-	-	5.50	5.55
Commission to directors	-	-	-	-	-	-	14.06	16.20	-	-	14.06	16.20
Accepted loan from related party	-	-	-	-	200.00	-	-	-	-	-	200.00	-
Repayment loan from related party	-	-	-	-	240.00	-	-	-	-	-	240.00	-
Interest received	-	-	0.90	11.13	-	-	-	-	-	-	0.90	11.13
Interest paid	-	-	-	-	45.56	45.42	8.46	9.42	-	-	54.02	54.84
Rent paid	-	-	-	-	17.80	14.40	40.37	34.38	24.12	24.12	82.29	72.90
Rent/ hire charges received	-	-	-	-	2.97	2.52	-	-	-	-	2.97	2.52
Sales	233.03	255.46	-	-	-	-	-	-	-	-	233.03	255.46
Services paid	-	-	-	-	43.49	52.33	-	-	-	-	43.49	52.33
Dividend paid	-	-	-	-	-	978.80	-	466.78	-	294.23	-	1,739.81
Managerial remuneration#	-	-	-	-	-	-	431.99	505.28	-	-	431.99	505.28
Salary	-	-	-	-	-	-	74.40	81.05	86.40	93.78	160.80	174.83
Sale of investment	-	-	-	-	91.96	-	-	-	-	-	91.96	-
Professional fees paid	-	-	-	-	-	-	-	-	1.50	3.30	1.50	3.30
Outstanding loans given **	-	-	-	45.97	-	-	-	-	-	-	-	45.97
Creditors	-	-	-	-	4.00	14.65	-	4.75	-	-	4.00	19.40
Debtors	152.11	245.22	5.68	5.68	-	-	-	-	-	-	157.79	250.90
Unsecured loan taken	-	-	-	-	413.00	453.00	94.00	94.00	-	-	507.00	547.00

**Note:**

- The detailed disclosure of the investments in Subsidiaries / Associates and Joint Ventures is given in Note No 5 forming part of the Balance Sheet.
- The Company has during the year written off bad debts/advances amounting to Rs. NIL (PY Rs. 1.93 Lacs) with respect to subsidiaries.
- \*\* includes interest of Rs. NIL (PY Rs. 0.89 Lacs)
- #Managerial Remuneration does not include provision for gratuity which is determined for the Company as a whole.

**P. Earnings per share**

Particulars		2020-21	2019-20
Profit for the year	(Rupees in Lacs)	6,963.15	7,579.43
Weighted average number of Equity shares	(Nos. in Lacs)	2,267.06	2,267.06
(Face value Re. 1 per share)			
Basic earnings per share	(Rupees)	3.07	3.34
Diluted earnings per share	(Rupees)	3.07	3.34

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

### Q. Events occurring after the Balance Sheet date

The Board of Directors has recommended a final dividend of 50 paise on a Re. 1/- face value subject to approval from the shareholders. On approval, the total dividend payment is expected to be Rs. 1,133.53 lacs subject to tax.

### R. Disclosure on Right of use of assets & liabilities:

The changes in the carrying value of right of use (ROU) assets for the year ended March 31, 2021 are disclosed below

Rupees in Lacs

Particulars	As at March 31, 2021	As at March 31, 2020
ROU Balance as on April 01, 2020	1,854.43	1,604.74
Additions (Refer Note 3)	22.31	477.67
Amortisation cost accrued during the year (Refer Note 3)	(151.92)	(227.98)
Deletions	-	-
<b>ROU balance as on March 31, 2021</b>	<b>1,724.82</b>	<b>1,854.43</b>

Rupees in Lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities as on April 01, 2020	344.95	-
Additions	22.31	538.41
Interest cost accrued during the year	23.61	30.07
Payment of lease liabilities	(149.55)	(223.53)
Deletion	-	-
<b>Lease liabilities as on March 31, 2021</b>	<b>241.32</b>	<b>344.95</b>

Rupees in Lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	59.89	126.19
Non-current lease liabilities	181.43	218.76
<b>Total lease liabilities</b>	<b>241.32</b>	<b>344.95</b>

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

Rental expense recorded for short-term leases or cancelable lease in nature was Rs. 87.80 Lacs (PY Rs. 74.28 Lacs) for the year ended March 31, 2021.

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2021 on an undiscounted basis:

Rupees in Lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Not later than one year	63.21	145.70
Later than one year and not later than five years	115.65	170.28
Later than five years	1,886.43	1,892.01

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

- S.** Covid-19 pandemic has caused significant impact on the business environment and the economy. The Company has considered possible impact, if any, due to the current second wave of the pandemic and selective lock down declared in different parts of the country. Based on the current indicators and future economic conditions, the Company does not foresee any incremental risk regarding recoverability of assets and ability to service financial obligations. The Company has strong net worth and has serviced all its obligations in a timely manner.
- T.** Previous Year's figures have been regrouped and reclassified wherever required.

### Signatures to Notes I to 34 which form an integral part of these financial statements

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

**As per our report of even date attached**

**For SCA AND ASSOCIATES**

Chartered Accountants  
(Firm Reg. No. 101174W)

**SHIVRATAN AGARWAL**

Partner  
Membership No. 104180

Mumbai: June 30, 2021

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

**UMESHKUMAR MORE**

Chairman  
DIN: 00112662

**VINOD HARITWAL**

CEO & Director  
DIN: 00112862

**CHINTAN K. GANDHI**

Company Secretary  
Membership No. 21369

**NIRAJKUMAR MORE**

Managing Director  
DIN: 00113191

**GURINDER SINGH GULATI**

CFO & President Commercial  
Membership No. 090728

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GRAUER & WEIL (INDIA) LIMITED

#### 1. Opinion

We have audited the accompanying consolidated Ind AS financial statements of Grauer & Weil (India) Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the consolidated Balance Sheet as at March 31, 2021 and the consolidated Statement of Profit and Loss (including other Comprehensive Income), consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group and its associates as at March 31, 2021, and its consolidated profit (financial performance including other comprehensive income), the consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### 2. Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 consolidated financial statements.

#### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	Our Response
I	<p><b>Evaluation of Provisions and Contingent Liabilities w.r.t. litigations and claims</b></p> <p>The Group has uncertain positions including matters under dispute which involves significant judgement to determine the possible outcome of the disputes</p>	<p>We performed the following substantive procedures:</p> <p>Testing the design, implementation and operating effectiveness of key internal controls around the recognition and measurement of provisions and re-assessment of development of contingent liabilities.</p> <p>We have assessed the value of significant provisions and contingent liabilities in light of the nature of the exposures, applicable regulations and related correspondence with the authorities.</p> <p>Evaluating judgements made by the Group by comparing the estimates of prior year to the actual outcome.</p> <p>Assessing the Group's disclosures in the financial statements in respect of provisions and contingent liabilities.</p>

Sr. No.	Key Audit Matter	Our Response
2	<p><b>Defined benefit obligation</b></p> <p>The valuation of the retirement benefit schemes in the Group is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation</p>	<p>We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit.</p> <p>We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, remeasurements, benefits paid, and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.</p>

#### 4. Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report thereon

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Board Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### 5. Management's Responsibility and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its associates 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 associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the Group's and of its associates 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 Group or any of its associates, 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 associates are responsible for overseeing the financial reporting process of the Group and of its associates.

#### 6. Auditor's Responsibilities for the audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 of its associates 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 of its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS 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 Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 7. Other Matters

The Consolidated Ind AS Financial Statements include the audited financial results of a subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 290.11 Lacs as at December 31, 2020, total revenue (before consolidation adjustments) of Rs. 298.00 Lacs, total net profit after tax (before consolidation adjustments) of Rs. 58.30 Lacs, for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements, which have been audited by its independent auditor, unaudited financial result of a subsidiary whose financial statements reflect total assets (before consolidation adjustments) of Rs. 8.44 Lacs as at December 31, 2020, total revenue (before consolidation adjustments) of Rs. Nil, total net profit after tax (before consolidation adjustments) of Rs. Nil Lacs, for the year ended on that date, which is certified and furnished to us by the Holding Company management, as considered in the Consolidated Ind AS Financial Statements. The Consolidated Ind AS Financial Statements also include the Groups share of loss of Rs. 12.67 Lacs for the year ended December 31, 2020/March 31, 2021, as considered in the Consolidated Ind AS Financial Statements which has been audited by its independent auditor. The independent auditors' report on financial statements of these entities have been furnished to us by the management of the Holding Company and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the Consolidated Ind AS Financial Statements is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor

## 8. Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group and its associates including relevant records 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 certification of the Management.
- 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and on the basis of representations made by the respective Board of Directors of the associates, none of the directors are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) This report does not contain a separate report on the internal financial controls over financial reporting of the Group under clause (i) of sub section 3 of section 143 of the Act as there are no subsidiaries incorporated in India.
- g) As required by section 197(16) of the Act, based on our audit, we report that the Holding Company and its subsidiary companies has paid and provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.



- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated Ind AS financial position of the Group and its associates – Refer Note 33 D to the consolidated financial statements;
  - ii. The Group has long-term contracts including derivative contracts for which there were no material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the associate companies incorporated in India.

**For SCA AND ASSOCIATES***Chartered Accountants**Firm Registration No. 101174W***Shivratan Agarwal***Partner**Membership No. 104180**UDIN: 21104180AAAAIL1539**Place : Mumbai**Date : June 30, 2021*

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021**

Rupees in Lacs

	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	22,023.93	22,133.93
Capital work-in-progress		362.92	131.94
Right of use assets	3	1,724.83	1,854.44
Other intangible assets	4	91.29	103.66
<b>Financial assets</b>			
Investments	5	16.94	32.55
Loans	6	-	45.08
Other financial assets	7	474.06	1,408.02
Income tax assets (net)	8	246.87	263.63
Other non-current assets	9	172.93	175.02
		<b>25,113.77</b>	<b>26,148.27</b>
<b>Current assets</b>			
Inventories	10	9,292.28	10,840.08
<b>Financial assets</b>			
Trade receivables	11	12,701.12	11,394.70
Cash and cash equivalents	12A	5,427.23	3,345.08
Other balances with banks	12B	19,975.96	10,192.13
Other financial assets	7	820.41	535.46
Other current assets	9	1,654.98	1,738.37
		<b>49,871.98</b>	<b>38,045.82</b>
<b>Total assets</b>		<b>74,985.75</b>	<b>64,194.09</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	SOCE	2,267.06	2,267.06
Other equity	SOCE	49,136.06	42,213.49
		<b>51,403.12</b>	<b>44,480.55</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	13	19.41	20.06
Lease liabilities		181.43	218.76
Other financial liabilities	14	1,675.93	1,272.69
Provisions	15	2,332.77	2,059.94
Deferred tax liabilities (net)	16	1,231.45	1,232.33
		<b>5,440.99</b>	<b>4,803.78</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	13	1,897.61	1,859.86
Lease liabilities		59.37	126.19
Trade payables			
Due to micro and small enterprises	18	460.54	791.20
Due to other than micro and small enterprises	18	9,005.57	7,364.12
Other financial liabilities	14	2,885.78	2,965.25
Other current liabilities	17	2,287.51	1,181.66
Provisions	15	218.53	213.49
Current tax liabilities (net)	19	1,326.73	407.99
		<b>18,141.64</b>	<b>14,909.76</b>
<b>Total equity and liabilities</b>		<b>23,582.63</b>	<b>19,713.54</b>
Significant accounting policies and key accounting estimates and judgements	1	<b>74,985.75</b>	<b>64,194.09</b>
Explanatory information and other additional notes	2-33		

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

**As per our report of even date attached**

**For SCA AND ASSOCIATES**

Chartered Accountants  
(Firm Reg. No. 101174W)

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

**UMESHKUMAR MORE**

Chairman  
DIN: 00112662

**NIRAJKUMAR MORE**

Managing Director  
DIN: 00113191

**SHIVRATAN AGARWAL**

Partner  
Membership No. 104180

**VINOD HARITWAL**

CEO & Director  
DIN: 00112862

**GURINDER SINGH GULATI**

CFO & President Commercial  
Membership No. 090728

**CHINTAN K. GANDHI**

Company Secretary  
Membership No. 21369

Mumbai: June 30, 2021

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

Rupees in Lacs

	Note	2020-21	2019-20
<b>INCOME</b>			
Revenue from operations	20	60,583.11	61,940.28
Other income	21	1,474.28	1,186.68
<b>Total income</b>		<b>62,057.39</b>	<b>63,126.96</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	30,358.17	32,573.17
Purchase of stock-in-trade	23	337.47	609.76
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	746.14	(1,828.20)
Employee benefits expense	25	7,006.77	7,427.40
Finance costs	26	215.52	260.87
Depreciation and amortisation expenses	27	1,840.61	1,900.98
Other expenses	28	12,116.16	13,501.45
<b>Total expenses</b>		<b>52,620.84</b>	<b>54,445.43</b>
<b>Profit before share of profit of associates expenses</b>		<b>9,436.55</b>	<b>8,681.53</b>
Share in profit of associates		(12.67)	-
<b>Profit before exceptional items and tax</b>		<b>9,423.88</b>	<b>8,681.53</b>
<b>Exceptional items (Refer Note 29)</b>		<b>-</b>	<b>859.42</b>
<b>Profit before tax</b>		<b>9,423.88</b>	<b>9,540.95</b>
<b>Tax expense</b>			
Current tax		2,520.37	2,392.00
Deferred tax		22.48	(435.13)
		<b>2,542.85</b>	<b>1,956.87</b>
<b>Profit after tax</b>		<b>6,881.03</b>	<b>7,584.08</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to Statement of Profit and Loss</b>			
Remeasurement of defined benefit plan		(92.79)	(146.94)
Income tax on remeasurement of defined benefit plan		23.35	36.98
<b>Total other comprehensive income</b>		<b>(69.44)</b>	<b>(109.96)</b>
<b>Total comprehensive income for the year</b>		<b>6,811.59</b>	<b>7,474.12</b>
<b>Earnings per equity share (in rupees)</b>	33C		
Basic		3.04	3.35
Diluted		3.04	3.35
Significant accounting policies and key accounting estimates and judgements	I		
Explanatory information and other additional notes	2-33		

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

**As per our report of even date attached****For SCA AND ASSOCIATES**

Chartered Accountants

(Firm Reg. No. 101174W)

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

Chairman

DIN: 00112662

**NIRAJKUMAR MORE**

Managing Director

DIN: 00113191

**SHIVRATAN AGARWAL**

Partner

Membership No. 104180

**VINOD HARITWAL**

CEO &amp; Director

DIN: 00112862

**GURINDER SINGH GULATI**

CFO &amp; President Commercial

Membership No. 090728

**CHINTAN K. GANDHI**

Company Secretary

Membership No. 21369

Mumbai: June 30, 2021

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

	Rupees in Lacs	
	2020-21	2019-20
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before exceptional item &amp; tax</b>	<b>9,423.88</b>	8,681.53
Exceptional Item (Refer Note 29)	-	859.42
<b>Profit before tax</b>	<b>9,423.88</b>	9,540.95
<b>Adjustment for :</b>		
Depreciation and amortisation expenses	1,840.61	1,900.98
Bad debts written off	53.22	161.32
Allowance for doubtful debt	2.76	23.43
Sundry balances written back	(214.84)	(67.76)
Finance costs	215.52	260.87
Loss/(gain) on sale of investment	(88.06)	-
Loss/(gain) on fixed assets sold/discarded (net)	(278.62)	5.04
Net unrealised foreign exchange loss/(gain)	(21.04)	(98.55)
Net loss/(gain) arising on fair value change	31.81	44.46
Interest income	(938.54)	(760.74)
Dividend income	(0.28)	(0.44)
<b>Operating profit before working capital changes</b>	<b>10,026.42</b>	11,009.56
<b>Adjustments for changes in working capital</b>		
(Increase)/decrease in trade receivables	(1,341.76)	(354.48)
(Increase)/decrease in inventories	1,547.80	(1,537.58)
(Increase)/decrease in non current asset	(7.94)	106.49
(Increase)/decrease in current financial asset	83.39	(73.80)
(Increase)/decrease in other current asset	(284.95)	(363.52)
Increase/(decrease) in trade payables	1,525.98	2,164.58
Increase/(decrease) in non current liabilities	414.59	(209.80)
Increase/(decrease) in other current liabilities	1,109.02	(230.56)
Increase/(decrease) in non current provisions	180.04	182.07
Increase/(decrease) in current provisions	5.04	11.50
<b>Cash generated from operations</b>	<b>13,257.63</b>	10,704.46
Less: Direct taxes paid	(1,584.88)	(2,300.01)
<b>Net cash flow from operating activities (A)</b>	<b>11,672.75</b>	8,404.45
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment towards purchase of Property, Plant & Equipment	(1,847.27)	(2,275.26)
Proceeds from sale of Property, Plant & Equipment	328.59	68.87
Deposits/balance with banks with maturity more than 3 months	(8,836.41)	(3,832.34)
Proceeds from sale of investment	91.96	-
Interest received and dividend received	938.82	761.18
<b>Net cash flow from investing activities (B)</b>	<b>(9,324.31)</b>	(5,277.55)

Rupees in Lacs

	2020-21	2019-20
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Lease liability payment	(126.46)	(193.46)
Net proceeds/(repayment) of hire purchase credits	(22.67)	(75.81)
Proceeds/(repayment) of working capital facilities	77.75	(112.28)
Loan receipt/(payment) to related parties	45.08	
Net proceeds / (repayment) of loan from related parties	(40.00)	-
Interest paid	(205.11)	(267.34)
Dividend and corporate dividend tax	5.12	(3,001.41)
<b>Net cash flow from financing activities (C)</b>	<b>(266.29)</b>	<b>(3,650.30)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>2,082.15</b>	<b>(523.40)</b>
<b>Cash and cash equivalents as at the beginning of the period (Refer Note 12A)</b>	<b>3,345.08</b>	<b>3,868.48</b>
<b>Cash and cash equivalents as at the end of the period (Refer Note 12A)</b>	<b>5,427.23</b>	<b>3,345.08</b>

Note:

1. The above Cash Flow Statement has been prepared under the Indirect Method.
2. Reconciliation of liabilities arising from financing activities:

	March 31, 2021	March 31, 2020
Opening balance	1,923.32	2,111.41
Cash inflow/(outflow) of non current borrowings	(0.65)	(43.39)
Cash inflow/(outflow) of current borrowings	15.73	(144.70)
Closing balance	1,938.40	1,923.32

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

**As per our report of even date attached****For SCA AND ASSOCIATES**Chartered Accountants  
(Firm Reg. No. 101174W)**For and on behalf of the Board of Directors****UMESHKUMAR MORE**Chairman  
DIN: 00112662**NIRAJKUMAR MORE**Managing Director  
DIN: 00113191**SHIVRATAN AGARWAL**Partner  
Membership No. 104180**VINOD HARITWAL**CEO & Director  
DIN: 00112862**GURINDER SINGH GULATI**CFO & President Commercial  
Membership No. 090728**CHINTAN K. GANDHI**Company Secretary  
Membership No. 21369

Mumbai: June 30, 2021

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

Rupees in Lacs

EQUITY SHARE CAPITAL	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Authorised share capital	500,000,000	5,000.00	500,000,000	5,000.00
Issued share capital	226,705,750	2,267.06	226,705,750	2,267.06
Subscribed share capital	226,705,750	2,267.06	226,705,750	2,267.06
Fully paid-up share capital	226,705,750	2,267.06	226,705,750	2,267.06
Balance at the beginning of the year	226,705,750	2,267.06	226,705,750	2,267.06
Balance at the end of the reporting year	226,705,750	2,267.06	226,705,750	2,267.06

**Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital**

The Holding Company has one class of equity shares having a par value of Re. 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

Shares in the Holding Company held by each shareholder holding more than five per cent shares	As at March 31, 2021		As at March 31, 2020	
	No.	%	No.	%
Mr. Umeshkumar More	22,805,999	10.06%	22,805,999	10.06%
Mr. Nirajkumar More	17,852,106	7.87%	17,852,106	7.87%
Mrs. Premkata More	12,724,455	5.61%	12,724,455	5.61%
M/s. Growel Projects Limited	12,558,000	5.54%	12,558,000	5.54%
M/s. Poona Bottling Company Private Limited	42,886,151	18.92%	42,866,573	18.91%
M/s. Ridhi Sidhi Limited	32,359,000	14.27%	32,359,000	14.27%

Rupees in Lacs

OTHER EQUITY	Reserves and Surplus				Other Comprehensive Income(OCI)	TOTAL
	General Reserve	Capital Reserve	Foreign Currency Translation Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	
Balance as at April 01, 2019	37,036.63	91.38	(347.67)	1,342.27	(265.06)	37,857.55
Profit for the year ending March 31, 2020	-	-	-	7,584.08	-	7,584.08
Adjustment in carrying value	(89.34)	-	-	-	-	(89.34)
Foreign currency translation reserve	-	-	23.10	-	-	23.10
Less: Charge on account of transitional adjustment on lease Ind AS 116 net off deferred tax Rs. 23.34 Lacs	(45.58)	-	-	-	-	(45.58)
Other comprehensive income for the year ending March 31, 2020	-	-	-	-	(109.96)	(109.96)
<b>Total comprehensive income for the year ending March 31, 2020</b>	<b>36,901.71</b>	<b>91.38</b>	<b>(324.57)</b>	<b>8,926.35</b>	<b>(375.02)</b>	<b>45,219.85</b>
<b>Transactions with owners in their capacity as owners:</b>						
Dividends and dividend distribution tax						
- Final Dividend FY 2018-19 (Rs. 0.60 per share)	-	-	-	(1,360.23)	-	(1,360.23)
- Interim Dividend FY 2019-20 (Rs. 0.50 per share)	-	-	-	(1,133.53)	-	(1,133.53)
- Dividend distribution tax	-	-	-	(512.60)	-	(512.60)
Transfer to general reserve	5,000.00	-	-	(5,000.00)	-	-
<b>Balance as at March 31, 2020</b>	<b>41,901.71</b>	<b>91.38</b>	<b>(324.57)</b>	<b>919.99</b>	<b>(375.02)</b>	<b>42,213.49</b>

Rupees in Lacs

OTHER EQUITY	Reserves and Surplus				Other Comprehensive Income(OCI)	TOTAL
	General Reserve	Capital Reserve	Foreign Currency Translation Reserve	Retained Earnings	Remeasurements of Defined Benefit Plans	
Profit for period ending March 31, 2021	-	-	-	6,881.03	-	6,881.03
Adjustment in carrying value	(23.10)	-	-	-	-	(23.10)
Foreign currency translation reserve	-	-	23.05	-	-	23.05
Add: Transaction cost relating to amalgamation written back	111.04	-	-	-	-	111.04
Other comprehensive income for period ending March 31, 2021	-	-	-	-	(69.44)	(69.44)
<b>Total comprehensive income for period ending March 31, 2021</b>	<b>41,989.65</b>	<b>91.38</b>	<b>(301.52)</b>	<b>7,801.02</b>	<b>(444.46)</b>	<b>49,136.07</b>
<b>Transactions with owners in their capacity as owners:</b>						
Dividends and dividend distribution tax	-	-	-	(0.01)	-	(0.01)
- Dividend distribution tax	6,000.00	-	-	(6,000.00)	-	-
<b>Balance as at March 31, 2021</b>	<b>47,989.65</b>	<b>91.38</b>	<b>(301.52)</b>	<b>1,801.01</b>	<b>(444.46)</b>	<b>49,136.06</b>

Nature and purpose of each component of equity	Nature and purpose
i. General reserve	General reserve represents accumulated profits and is created by transfer of profits from retained earnings and it is not an item of other comprehensive income.
ii. Retained earnings	Retained earnings are the profits that the Group has earned till date, less any transfer to general reserves & dividend.
iii. Remeasurements of defined benefit plans	Gains/losses arising on remeasurements of defined benefit plans are recognised in the other comprehensive income as per IND AS-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.
iv. Foreign currency translation reserve	Exchange differences relating to the translation of the results and net assets of the group's foreign operations from their functional currencies to the Group's presentation currency, i.e Indian Rupees.

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

**As per our report of even date attached**

**For SCA AND ASSOCIATES**

Chartered Accountants

(Firm Reg. No. 101174W)

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

**UMESHKUMAR MORE**

Chairman

DIN: 00112662

**NIRAJKUMAR MORE**

Managing Director

DIN: 00113191

**SHIVRATAN AGARWAL**

Partner

Membership No. 104180

**VINOD HARITWAL**

CEO & Director

DIN: 00112862

**GURINDER SINGH GULATI**

CFO & President Commercial

Membership No. 090728

**CHINTAN K. GANDHI**

Company Secretary

Membership No. 21369

Mumbai: June 30, 2021



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

### **NOTE 1: SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**

#### **A) General Information:**

Grauer & Weil (India) Limited ('the Holding Company') and its subsidiaries (together to as 'the Group') and its associates are engaged in the business of manufacturing and selling of Surface Finishings besides Engineering and Shoppertainment business. The Group has its business operations mainly in India, Europe and the Far East. The Holding Company is a Public limited Company incorporated and domiciled in India and has its registered office at Growel Corporate, Akurli Road, Kandivli (East), Mumbai 400 101. The Group presently has its manufacturing facilities in Dadra, Vapi (Gujarat), Barotiwala (Himachal Pradesh), Samba (Jammu & Kashmir) besides Engineering division at Khed (Pune District) and Mall at Kandivli (Mumbai).

#### **B) Basis of preparation of Consolidated financial statements:**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out in para C below. These policies have been consistently applied to all the years presented.

##### **(i) Statement of compliance:**

These Consolidated Financial Statements have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

The Consolidated Financial Statements of the Group for the year ended March 31, 2021 were authorised for issue in accordance with a resolution of the Board of Directors dated June 30, 2021.

##### **(ii) Basis of preparation and presentation:**

The Consolidated Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013, except for the following material items that have been measured at fair value as required by the relevant Ind AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of initial recognition.

- a) Certain financial assets/liabilities measured at fair value (*Refer Note 32 -Fair Values and hierarchy*)
- b) Employees Defined Benefit Plan as per actuarial valuation
- c) Any other item as specifically stated in the accounting policy.

The Group reclassifies comparable amounts unless impracticable and whenever the Group changes the presentation or classification of items in financial statements materially. No such material reclassification has been made during the year.

The financial statements are presented in Indian Rupees which is the functional currency of the Holding Company and the currency of the primary economic environment in which Group operates. Figures have been rounded off to rupees Lacs unless otherwise stated.

##### **(iii) Basis and principle of consolidation:**

The financial statements of the group and its associates have been prepared in compliance with Accounting Standards specified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015, and those of foreign subsidiaries and a foreign associate have been prepared in compliance with the local laws and applicable Accounting Standards. Necessary adjustments for material differences in the accounting policies, if any, have been made in the Consolidated Financial Statements. The financial statements have been prepared on an accrual basis and under the historical cost convention.

All assets and liabilities have been classified as current or non-current as per the normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The Consolidated Financial Statements have been prepared on the following basis:-

##### **a) Investment in subsidiaries:**

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of that entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

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

The Group combines the financial statements of the parent and its subsidiaries line by line adding together the items of assets, liabilities, equity, income and expenses. Intra-group transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### b) Investments in associates:

Associates are entities over which the Group has significant influence but not control or joint control. Investment in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post acquisition profits or losses of the investee in the Consolidated Statement of Profit and Loss, and the Group's share of Other Comprehensive Income of the Investee in Other Comprehensive Income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its Associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity accounted investments are tested for impairment.

### c) Foreign subsidiaries:

Revenue items have been consolidated at the average rate of foreign exchange prevailing during the year. The assets and liabilities, both monetary and non-monetary, of the non-integral foreign operations are translated at the closing rate. Exchange differences arising on monetary and non-monetary items that in substance forms part of the Group's net investments in non-integral foreign operations are accumulated in the Foreign Currency Translation Reserve.

### d) Information on subsidiaries / associate companies:

Sr. No.	Particulars	% shares held as at March 31, 2021	% shares held as at March 31, 2020	Country of incorporation
i	Grauer & Weil (Shanghai) Limited	100%	100%	China
ii	Grauer & Weil (UK) Limited	-	100%	England
iii	Growel Chemicals Co. Limited	100%	100%	Thailand

The financial statements of the subsidiary companies viz Grauer & Weil (Shanghai) Limited and Growel Chemicals Co. Limited used in the consolidation are drawn up to December 31, 2020.

The following associate companies are considered in the Consolidated Financial Statements:

Sr. No.	Particulars	% shares held as at March 31, 2021	% shares held as at March 31, 2020	Country of incorporation
i	Grauer & Weil Engineering Private Limited	29.99%	29.99%	India
ii	Grauer & Weil (Thailand) Co. Limited	48.99%	48.99%	Thailand
iii	Growel Sidasa Industries Private Limited	49.80%	49.80%	India

The financial statements of Grauer & Weil (Thailand) Co. Limited used in the consolidation are drawn up to December 31, 2020. The financial statements of Grauer & Weil Engineering Private Limited and Growel Sidasa Industries Private Limited are drawn up to March 31, 2021.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021****(iv) Major sources of estimation uncertainty:**

In the application of accounting policies which are described in Para C below, the management is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are:

**- Inventories:**

Inventory obsolescence is based on assessment of the future uses. In all cases, inventory is carried at the lower of historical cost and net realisable value.

**- Lease:**

Lease accounting after evaluating the right to use the underlying assets, substance of the transactions including legally enforceable arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Ind AS 116.

**- Impairment of non-financial assets:**

For calculating the recoverable amount of non-financial assets, the Group is required to estimate the value-in-use of the asset or the Cash Generating Unit and the fair value less cost of disposal. For calculating value-in-use the Group is required to estimate the cash flows to be generated from using the asset. The fair value of an asset is estimated using a valuation technique where observable prices are not available. Further the discount rate used in value-in-use calculations includes an estimate of risk assessment specific to the asset.

**- Impairment of financial assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**- Defined benefit plans:**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**- Fair value measurement of financial instruments:**

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

**- Income tax and Deferred tax assets :**

Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amounts expected to be paid/reversed for uncertain tax positions.

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the losses can be utilised. Accordingly the Group exercises judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

### C) Summary of Significant Accounting Policies:

#### I) Property, Plant and Equipment (PPE):

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses if any, except for freehold land which is not depreciated. Cost includes purchase price (after deducting trade discount / rebate) import duties, non-refundable taxes, cost of replacing the component parts, borrowing costs and other directly attributable cost of bringing the asset to its working condition in the manner intended by the management.

Spare parts procured along with the Plant and Equipment or subsequently which meets the definition and recognition criteria of PPE considering the concept of materiality are capitalized and added to the carrying amount of such items. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as 'stores and spares' forming part of the inventory. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

Management has assessed applicability of Ind AS 40 - Investment Property to the Mall property. In assessing such applicability, management has considered the ownership of assets, terms of license agreements, various services provided to the licensees, etc. Based on such assessment, the management has considered the Mall property as owner occupied property and hence classified as Property, Plant and Equipment.

Expenditure on acquisition of PPE for Research and Development (R&D) is included in PPE and depreciation thereon is provided as applicable.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss when the asset is derecognised.

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale in accordance with Ind AS 105 and the date that the asset is derecognised. Depreciation on all assets is provided on straight line basis.

Description of the asset	Estimated useful life
<b>Tangible:</b>	
Land – Leasehold	Primary period of lease
Building	
– Factory	30 Years
– Other than factory buildings	60 Years
Plant and Equipment	10 to 20 Years
Furniture and Fixtures	10 Years
Computer Servers	6 Years
Computers	3 Years
Laboratory Equipment	10 Years
Office Equipment	5 Years
Vehicles Four Wheelers	8 Years
Vehicles Two Wheelers	10 Years
<b>Intangible:</b>	
Software (up to FY 2018-19)	5 Years
Software (from FY 2019-20)	3 Years

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

Further, the Group has identified and determined separate useful life for each major component of fixed assets, if they are materially different from that of the remaining assets, for providing depreciation in compliance with Schedule II of the Companies Act, 2013. Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **2) Intangible assets:**

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets.

An item of intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### **3) CWIP:**

CWIP are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing costs. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefit associated with these will flow to the Group and the cost of the item can be measured reliably. Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

### **4) Impairment of Property, Plant and Equipment (PPE):**

At the end of each reporting period, the Group reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

### **5) Inventories:**

Raw Materials, packing materials and stores and spares are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, packing materials and stores and spares is determined on daily moving weighted average cost basis.

Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

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

### 6) Leases:

The Group has adopted Ind AS 116-Leases effective April 1, 2019, using the modified retrospective method.

#### Where the Group is a lessee-

At inception of a contract, the Group assesses whether a contract is or contains a lease. A contract is, or contains, a lease if a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract conveys the right to use an identified asset;
- the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the identified asset.

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

Lease liability is measured by discounting the lease payments using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

Lease payments are allocated between principal and finance cost. The finance cost is charged to statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives and restoration costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. ROU assets are depreciated on a straight-line basis over the asset's useful life or the lease whichever is shorter. Impairment of ROU assets is in accordance with the Group's accounting policy for impairment of tangible and intangible assets.

#### Where the Group is a lessor-

Lease income from operating leases where the Group is a lessor is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

Management has assessed applicability of Ind AS 116 – Leases, to the Mall property. In assessing such applicability, management has considered the ownership of assets, terms of license agreements, various services provided to the licensees, etc. Since the licensee does not have the right to obtain substantially all the economic benefits from the use of the asset or does not have complete right to direct the use of the asset, the Management is of the view that Ind AS 116 – Leases is not applicable to the Mall property.

### 7) Government grants:

Government grants/subsidy are recognized when there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants/subsidy will be received.

Grants/subsidy related to income are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis. Government grants/subsidy that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with no future related costs are recognized in the Statement of Profit and Loss in the period in which they become receivable. Grants/subsidy related to income are presented under other income in the Statement of Profit and Loss except for grants/subsidy received in the form of rebate or exemption which are deducted in reporting the related expense. Grant/subsidy receivable against a specific fixed asset is deducted from the cost of the relevant fixed asset.

### 8) Provisions, contingent liabilities and contingent assets:

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable

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

estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Contingent liabilities are disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

### **9) Foreign currency transactions:**

The financial statements of Group are presented in Indian Rupees, which is also the functional currency. In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction. Exchange difference on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

### **10) Share capital and securities premium:**

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as securities premium.

### **11) Dividend distribution to equity shareholders:**

The Group recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Group. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

### **12) Cash flows and Cash and cash equivalents:**

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant Ind AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **13) Revenue recognition:**

The Group derives revenues primarily from sale of goods comprising Surface Finishings. The revenue of Engineering division is from design, fabrication and manufacture of surface coating equipment and plant. In respect of Mall revenue is derived from Business Conducting/License Fees.

The following is a summary of significant accounting policies related to revenue recognition:

Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for turnover/product/prompt payment discounts to customer as specified in the contract with the customers. When the level of discount varies with increase in levels of



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

revenue transactions, the Group recognises the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. The Group recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers.

Use of significant judgements in revenue recognition.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as turnover/product/prompt payment discounts. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

### i. Sale of goods:

Revenue from sale of goods is recognized, when all significant risks and rewards are transferred to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It excludes Value added tax/Sales tax, Goods and Services tax. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

### ii. Engineering division:

Equipment manufactured by the Engineering division for use by other divisions is included in the Sales at transfer price and are capitalised by other division.

### iii. Income from Business Conducting/Licence Fees:

Income arising out of Business Conducting/License Fees is accounted at contracted rates, keeping in view, the collectability of the resulting receivables is reasonably assured and is disclosed net of indirect taxes, if any.

### iv. Revenue from amenities provided:

Revenue from amenities provided is recognized at value of service and is disclosed net of indirect taxes, if any. Recoveries made against common area maintenance expenses are netted off against relevant expenses.

### v. Job contract receipts:

The Group follows the "Percentage of Completion Method" of accounting for all contracts. The revenue from the execution of contracts is recognized proportionately with the degree of completion achieved under each contract, matching revenue with expenses incurred and is accounted over a period of time.

### vi. Rendering of services:

Revenue from rendering of services is recognized as per the terms of the contract with customers when related services are performed and when the outcome of the transactions involving rendering of services can be estimated reliably.

### vii. Dividend income:

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

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

### **viii. Interest income:**

Interest income on financial assets measured at amortised cost is recognised on a time-proportion basis using the effective interest method.

### **ix. Insurance and other claims:**

Insurance and other claims/refunds, due to uncertainty in realisation are accounted for on acceptance/actual receipt basis.

## **14) Borrowing costs:**

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, discounts / premiums, financing charges, exchange difference to the extent they are regarded as interest costs and all ancillary / incidental costs incurred in connection with the arrangement of borrowing.

Borrowing costs which are directly attributable to acquisition / construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of cost pertaining to those assets. All other borrowing costs are recognised as expense in the period in which they are incurred.

## **15) Employee benefits:**

### **i. Short term employee benefits:**

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

### **ii. Long term employee benefits:**

The cost of providing long term employee benefit such as earned leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. The expected costs of the benefit is accrued over the period of employment using the same methodology as used for defined benefits post employment plans. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in which they arise except those included in cost of assets as permitted. The benefit is valued annually by an independent actuary.

### **iii. Post employment benefits:**

The Group provides the following post employment benefits:

- i) Defined benefit plans such as gratuity; and
- ii) Defined contributions plans such as provident fund.

### **iv. Defined benefits plans:**

The cost of providing benefits on account of gratuity are determined using the projected unit credit method on the basis of actuarial valuation made at the end of each balance sheet date, which recognises each period of service as given rise to additional unit of employees benefit entitlement and measuring each unit separately to build up the final obligation. The yearly expenses on account of these benefits are provided in the books of accounts.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss except those included in cost of assets as permitted.

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest as defined above) are

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

recognized in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognized in the Statement of Profit and Loss except those included in cost of assets as permitted in the period in which they occur.

### v. Defined contribution plans:

Payments to defined contribution retirement benefit plans, viz., Provident Fund for eligible employees, and Superannuation benefits are recognized as an expense when employees have rendered the service entitling them to the contribution.

## 16) Taxes on income:

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

### a) Current tax:

Current tax includes provision for Income tax computed under Special provision (i.e., Minimum alternate tax) or normal provision of Income Tax Act. Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

### b) Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

## 17) Earnings per share:

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period.

For calculating diluted earnings per share the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 18) Current versus non-current classification:

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

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

**a) An asset is current when it is:**

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**b) A liability is current when:**

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

**c) Deferred tax assets and liabilities are classified as non-current assets and liabilities.**

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### **19) 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these financial statements is determined in on such basis except for inventories, leases and value in use of non- financial assets. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets and Financial liabilities that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

### **20) Segment reporting:**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

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

### 21) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

#### a) Financial assets:

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Group.

#### Investments in subsidiaries:

Investments in equity shares of subsidiaries are carried at cost less impairment.

#### Financial assets other than investment in subsidiaries:

Financial assets of the Group comprise trade receivable, cash and cash equivalents, bank balances, investments in equity shares of companies other than in subsidiaries, investment other than equity shares, loans/advances to employee/related parties/others, security deposit, claims recoverable etc.

#### Initial recognition and measurement:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in Statement of Profit and Loss and in other cases spread over life of the financial instrument using effective interest method.

#### Subsequent measurement:

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

#### Financial assets measured at amortized cost:-

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss in finance costs.

#### Financial assets at fair value through OCI (FVTOCI):-

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign

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

exchange gain or loss in the income statement. On derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognised in OCI is reclassified to income statements.

### **Financial assets at fair value through profit or loss (FVTPL):-**

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit and Loss.

### **Derecognition:**

The Group derecognises a financial asset only 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 entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

### **Impairment of financial assets:**

The Group assesses impairment based on expected credit loss (ECL) model on the following:

- Financial assets that are measured at amortised cost.
- Financial assets measured at fair value through other comprehensive income (FVTOCI).

ECL is measured through a loss allowance on a following basis:

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Group follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Group to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

For recognition of impairment loss on other financial assets, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Group assesses the credit risk characteristics on instrument-by-instrument basis.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Impairment loss allowance (or reversal) recognized during the year is recognized as expense/income in the Statement of Profit and Loss.

### **b) Financial liabilities:**

The Group's financial liabilities include loans and borrowings including bank overdraft, trade payable, accrued expenses and other payables.

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

### Initial recognition and measurement:

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss depending upon the level of fair value.

### Subsequent measurement:

The subsequent measurement of financial liabilities depends upon the classification as described below:-

- Financial liabilities classified as amortised cost
- Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate. Interest expense that is not capitalised as part of costs of assets is included as Finance costs in the Statement of Profit and Loss.

### Financial Liabilities at Fair value through profit and loss (FVTPL):-

- FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities have not been designated upon initial recognition at FVTPL.

### Derecognition:

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

### Offsetting of financial instruments:

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

### c) Derivatives

Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument and is recognised in Other Comprehensive Income (OCI). Cash flow hedges shall be reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss. If hedge of a forecast transaction results in the recognition of a non-financial asset or a non-financial liability, then the gain or loss that are accumulated in the cash flow hedge reserve is recognised in the initial cost or other carrying amount of the asset or liability (this is also referred to as "Basis Adjustment").

### 22) Recent accounting pronouncements:

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification issued prior to March 31, 2021 which would have been applicable from April 1, 2021.



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

**NOTE 2: PROPERTY, PLANT AND EQUIPMENT**

Rupees in Lacs

Nature of fixed assets	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 01, 2020	Additions	Deductions	Other adjustments	As at March 31, 2021	As at April 01, 2020	Provided for the year	Other adjustments	As at March 31, 2021	As at March 31, 2020
<b>Tangible assets</b>										
Land - Freehold	3,214.86	-	5.68	-	3,209.18	-	-	-	3,209.18	3,214.86
Buildings	13,901.76	733.94	-	-	14,635.70	2,021.06	547.22	-	12,067.42	11,880.70
Plant and machinery	7,373.51	596.05	21.83	(25.61)	7,973.34	2,280.71	716.88	(25.85)	3,013.68	5,092.80
Laboratory equipment	179.43	2.71	7.64	(0.01)	174.51	66.86	17.44	(0.01)	79.68	112.57
R and D equipment	1,266.85	60.67	-	-	1,327.52	380.40	114.09	-	494.49	886.45
Furniture and fixtures	821.72	21.85	0.48	(0.06)	843.15	533.43	95.87	(0.06)	629.13	288.29
Vehicles	874.83	130.16	54.23	-	950.76	432.66	94.81	-	501.67	442.17
Office equipment	354.48	36.89	2.01	(0.24)	389.60	138.39	55.99	-	192.90	216.09
<b>Total</b>	<b>27,987.44</b>	<b>1,582.27</b>	<b>91.87</b>	<b>(25.92)</b>	<b>29,503.76</b>	<b>5,853.51</b>	<b>1,642.30</b>	<b>(25.92)</b>	<b>7,479.83</b>	<b>22,133.93</b>

Nature of fixed assets	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 01, 2019	Additions	Deductions	Reclassified on account of adoption of Ind AS 116	As at March 31, 2020	As at April 01, 2019	Provided for the year	Reclassified on account of adoption of Ind AS 116	As at March 31, 2020	As at March 31, 2019
<b>Tangible assets</b>										
Land										
a) Freehold	3,214.86	-	-	-	3,214.86	-	-	-	3,214.86	3,214.86
b) Leasehold	1,672.75	-	-	1,672.75	-	68.00	-	68.00	-	1,604.75
Buildings	13,218.74	683.02	-	-	13,901.76	1,472.07	548.99	-	2,021.06	11,746.67
Plant and machinery	6,148.50	1,289.25	64.24	-	7,373.51	1,616.44	666.01	-	2,280.71	4,532.06
Laboratory equipment	148.10	32.00	0.67	-	179.43	49.39	17.69	-	66.86	98.71
R and D equipment	1,069.52	203.86	6.53	-	1,266.85	274.27	106.13	-	380.40	795.25
Furniture and fixtures	771.74	50.25	0.27	-	821.72	396.06	137.40	-	533.43	375.68
Vehicles	855.44	22.81	3.42	-	874.83	337.06	96.07	-	432.66	518.38
Office equipment	229.68	126.04	1.24	-	354.48	91.78	46.61	-	138.39	137.90
<b>Total</b>	<b>27,329.33</b>	<b>2,407.23</b>	<b>76.37</b>	<b>1,672.75</b>	<b>27,987.44</b>	<b>4,305.07</b>	<b>1,618.90</b>	<b>68.00</b>	<b>5,853.51</b>	<b>23,024.26</b>

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

## NOTE 3: RIGHT OF USE ASSETS

Rupees in Lacs

Nature of fixed assets	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at April 01, 2020	Additions	Deductions	Other adjustments	As at March 31, 2021	Provided for the year	Other adjustments	As at March 31, 2021	As at March 31, 2020
Leasehold land	1,709.12	-	0.94	-	1,708.18	32.24	-	131.68	1,608.74
Buildings	349.79	22.31	123.86	-	248.24	119.68	-	99.91	245.70
Motor vehicle	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,058.91</b>	<b>22.31</b>	<b>124.80</b>	-	<b>1,956.42</b>	<b>151.92</b>	-	<b>231.59</b>	<b>1,854.44</b>

Nature of fixed assets	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at April 01, 2019	Additions	Deductions	Other adjustments	As at March 31, 2020	Provided for the year	Other adjustments	As at March 31, 2020	As at March 31, 2019
Leasehold land	1,672.75	36.37	-	-	1,709.12	32.38	-	100.38	1,608.74
Buildings	-	387.61	37.82	-	349.79	141.91	-	104.09	245.70
Motor vehicle	-	53.69	53.69	-	-	53.69	-	-	-
<b>Total</b>	<b>1,672.75</b>	<b>477.67</b>	<b>91.51</b>	-	<b>2,058.91</b>	<b>227.98</b>	-	<b>204.47</b>	<b>1,854.44</b>

## NOTE 4: OTHER INTANGIBLE ASSETS

Rupees in Lacs

Nature of fixed assets	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 01, 2020	Additions	Deductions	Other adjustments	As at March 31, 2021	Provided for the year	Other adjustments	As at March 31, 2021	As at March 31, 2020
Computer software	284.41	34.02	-	-	318.43	46.39	-	227.14	103.66
<b>Total</b>	<b>284.41</b>	<b>34.02</b>	<b>-</b>	<b>-</b>	<b>318.43</b>	<b>46.39</b>	<b>-</b>	<b>227.14</b>	<b>103.66</b>

Nature of fixed assets	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 01, 2019	Additions	Deductions	Other adjustments	As at March 31, 2020	Provided for the year	Other adjustments	As at March 31, 2020	As at March 31, 2019
Computer software	240.13	44.28	-	-	284.41	54.10	-	180.75	113.48
<b>Total</b>	<b>240.13</b>	<b>44.28</b>	<b>-</b>	<b>-</b>	<b>284.41</b>	<b>54.10</b>	<b>-</b>	<b>180.75</b>	<b>113.48</b>

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

**NOTE 5: INVESTMENTS**

NON CURRENT INVESTMENTS	As at March 31, 2021		As at March 31, 2020	
	Nos.	Rupees in Lacs	Nos.	Rupees in Lacs
<b>A) Quoted (Other than Trade)</b> (Carried at fair value through Statement of Profit and Loss) <b>In fully paid-up Equity Shares of Rs. 10 each</b>				
Sunflag Iron & Steel Company Limited	2,000	1.26	2,000	0.48
Ginni Filaments Limited	900	0.18	900	0.05
<b>In fully paid-up Equity Shares of Rs. 2 each</b>				
Punjab National Bank	1,175	0.43	1,175	0.38
<b>B) Unquoted (Trade)</b> <b>In Associates (carried at cost)</b>				
Grauer & Weil Engineering Private Limited (Fully paid up Equity shares of Rs. 10/- each)	149,980	-	1,49,980	-
Growel Sidasa Industries Private Limited (Fully paid up Equity shares of Rs. 10/- each)	1,288,300	-	12,88,300	-
Grauer & Weil (Thailand) Co. Limited (Fully paid up Equity shares of THB 100/- each)	58,800	9.27	58,800	21.94
<b>Other Investments (carried at cost)</b>				
The Saraswat Co-operative Bank Limited (Fully paid up Equity shares of Rs. 10/- each)	5,000	0.50	5,000	0.50
<b>C) Unquoted (Other than Trade)</b> <b>Other Investments (carried at cost)</b>				
Poona Bottling Company Private Limited (Fully paid-up Equity shares of Rs. 100/- each)	-	-	91,960	3.90
<b>Other Investments</b> (Carried at fair value through Statement of Profit and Loss) <b>In fully paid-up Equity Shares of Rs. 10 each</b>				
Shree Vaishnavi Dyeing & Printing Limited	1,500	-	1,500	-
Arihant Threads Limited	2,100	-	2,100	-
Rasik Plast Limited	13,500	-	13,500	-
Surlux Health Centres Limited	1,000	-	1,000	-
Shivalik Solid Waste Management Limited	20,000	5.11	20,000	5.11
Crystal Software Solutions Limited	8,600	-	8,600	-
Indo-French Bio-tech Enterprises Limited	89,800	-	89,800	-
National Savings Certificates		0.19		0.19
		16.94		32.55
	<b>Cost Rs.</b>	<b>Market value Rs.</b>	<b>Cost Rs.</b>	<b>Market value Rs.</b>
Aggregate market value of quoted investments		1.87		0.91
Aggregate book value of unquoted investments	15.07		31.64	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021****NOTE 6: LOANS**

Rupees in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Unsecured - considered good				
Loans and advances to related parties	-	45.08	-	-
	-	45.08	-	-

**NOTE 7: OTHER FINANCIAL ASSETS**

Rupees in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Unsecured - considered good				
Interest receivable				
From related parties	-	-	-	0.90
From others	-	-	520.59	396.85
Other receivable	-	-	299.82	137.71
Security deposits	277.88	265.93	-	-
Term deposits with maturity for more than 12 months (Refer Note 12)	140.00	1,087.42	-	-
Term deposits held as margin money against bank guarantees	56.18	54.67	-	-
	474.06	1,408.02	820.41	535.46

**NOTE 8: INCOME TAX ASSETS (NET)**

Rupees in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Advance income tax (Net of provisions)	246.87	263.63	-	-
	246.87	263.63	-	-

**NOTE 9: OTHER ASSETS**

Rupees in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Capital advances	169.79	169.79	139.33	64.93
Advances other than capital advances				
Advances to employees	3.14	5.23	16.05	50.70
Advances to suppliers	-	-	317.00	399.24
Prepaid expenses	-	-	28.05	28.54
Balances with government authorities				
VAT receivable	-	-	75.50	74.64
CENVAT credit receivable	-	-	9.23	2.24
Service tax credit receivable	-	-	8.50	8.50
Goods and service tax	-	-	1,061.32	1,109.58
	172.93	175.02	1,654.98	1,738.37

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

**NOTE 10: INVENTORIES**

Rupees in Lacs

	As at March 31, 2021	As at March 31, 2020
At lower of cost and net realisable value		
Raw materials	4,093.36	4,630.79
Raw materials-in-transit	414.55	712.29
	4,507.91	5,343.08
Work-in-progress	1,280.79	1,386.74
Finished goods	3,028.61	3,687.02
Finished goods - traded	116.03	129.67
Finished goods-in-transit	31.86	-
	3,176.50	3,816.69
Stores and spares	327.08	293.57
	9,292.28	10,840.08

**NOTE 11: TRADE RECEIVABLES**

Rupees in Lacs

	As at March 31, 2021	As at March 31, 2020
Secured considered good	672.09	608.29
Unsecured considered good	12,029.03	10,786.41
	12,701.12	11,394.70
Trade receivables - credit impaired	26.19	23.43
Less: Impairment provision for expected credit loss	(26.19)	(23.43)
	12,701.12	11,394.70

Note:

The Group has used practical expedient for computing Expected Credit Loss allowance for trade receivables wherever necessary, taking into account historical credit loss experience adjusted for forward looking estimates.

**NOTE 12: CASH AND BANK BALANCES**

Rupees in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
(A) Cash & cash equivalents				
Balances with banks				
In current accounts	-	-	4,861.47	2,740.26
In EEFC accounts	-	-	550.31	574.40
Cash on hand	-	-	15.45	30.42
	-	-	5,427.23	3,345.08
(B) Other balances with banks				
Unpaid dividend accounts	-	-	79.25	74.12
Term deposits with maturity for less than 12 months	-	-	19,896.71	10,118.01
Term deposits with maturity for more than 12 months	140.00	1,087.42		
	140.00	1,087.42	19,975.96	10,192.13
Amount included under the head 'Other Financial Assets' (Refer Note 7)	(140.00)	(1,087.42)	-	-
	-	-	19,975.96	10,192.13

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021****NOTE 13: BORROWINGS**

Rupees in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Secured				
Hire purchase credits	19.41	20.06	21.38	43.40
Loans repayable on demand from banks	-	-	1,390.61	1,312.86
Unsecured				
Loans and advances from related parties	-	-	507.00	547.00
	19.41	20.06	1,918.99	1,903.26
Amounts disclosed under the head 'Other Financial Liabilities' (Refer Note 14)	-	-	(21.38)	(43.40)
	19.41	20.06	1,897.61	1,859.86

**Nature of security and terms of repayment:**

Hire purchase credits are for purchase of cars. These facilities are secured by first charge on respective cars against which the specific facility has been taken from the Bank. The loan amount is repayable in equitable monthly installments with interest rates ranging from 2.19% p.a. to 8.70% p.a. (PY 2.19% p.a. to 9.50% p.a.) as applicable and are expected to be fully repaid as per the respective repayment schedules and shall get fully repaid between Sept 2022 to March 2024.

The working capital facilities are secured by hypothecation of all stocks, moveable assets and book debts by way of first charge on pari-passu basis and are further collaterally secured by second pari-passu charge on the block assets of Shopping mall at Kandivali, Mumbai as per respective banking arrangement. The working capital facility is repayable on demand and carries interest rate ranging from 7.40% p.a. to 8.75% p.a. (PY 8.05% p.a. to 9.15% p.a.).

**NOTE 14: OTHER FINANCIAL LIABILITIES**

Rupees in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Current maturities of long term debt (Refer Note 13)	-	-	21.38	43.40
Unpaid dividend*	-	-	79.25	74.12
Others				
Deposits from licensees and dealers	1,675.93	1,272.69	354.58	590.70
Security deposit from employees	-	-	67.34	90.50
Payable towards capital expenditure	-	-	47.05	48.91
Payable to employees	-	-	80.38	83.24
Expenses payable	-	-	2,223.10	2,031.89
Other payable	-	-	12.70	2.49
	1,675.93	1,272.69	2,885.78	2,965.25

\*There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

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

**NOTE 15: PROVISIONS**

Rupees in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits				
Leave benefits	-	-	-	2.19
Gratuity	2,332.77	2,059.94	218.53	211.30
	2,332.77	2,059.94	218.53	213.49

**NOTE 16: DEFERRED TAX LIABILITIES (NET)**

Rupees in Lacs

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Deferred tax liability				
- Depreciation	1,896.08	1,930.08	-	-
Deferred tax asset				
- Accrued expenses allowable on actual payments	(503.22)	(497.20)	-	-
- Income tax on Ind AS adjustments	(161.41)	(200.55)	-	-
	1,231.45	1,232.33	-	-

**NOTE 17: OTHER LIABILITIES**

Rupees in Lacs

	Current	
	As at March 31, 2021	As at March 31, 2020
Contractual liabilities	1,169.05	563.42
Deferred income	123.80	98.61
Statutory payables:		
Central sales tax & VAT	0.12	5.66
PF, ESIC etc	55.69	58.52
Service tax	213.85	213.85
TDS	141.88	99.76
Goods and service tax	583.12	141.84
	2,287.51	1,181.66

**NOTE 18: TRADE PAYABLES**

Rupees in Lacs

	Current	
	As at March 31, 2021	As at March 31, 2020
Total outstanding dues to Micro Enterprises and Small Enterprises	460.54	791.20
Total outstanding dues of other creditors	9,005.57	7,364.12
	9,466.11	8,155.32



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

### NOTE 19: CURRENT TAX LIABILITIES (NET)

Rupees in Lacs

	Current	
	As at March 31, 2021	As at March 31, 2020
Provision for Income tax (Net of advance tax)	1,326.73	407.99
	1,326.73	407.99

### NOTE 20: REVENUE FROM OPERATIONS

Rupees in Lacs

	2020-21	2019-20
<b>Revenue from contract with customers</b>		
<b>Sale of products</b>	63,836.36	63,095.60
Less: Trade discount	4,988.35	5,535.68
	58,848.01	57,559.92
<b>Business conducting fees/Licence fees and related income</b>	1,113.06	3,412.79
<b>Other operating revenues</b>		
Erection & commissioning charges	35.71	447.13
Testing analysis charges	8.89	12.40
License fees	11.80	35.00
IGST refund / Budgetary support	131.49	161.02
Scrap sales	174.32	194.04
Sundry balances written back	216.85	67.76
Others	42.98	50.22
	622.04	967.57
<b>Revenue from operations</b>	60,583.11	61,940.28

The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 - Revenue from contracts with customers. Hence, no separate disclosure of disaggregate revenues are reported. (Refer Note 33F)

The contractual liabilities primarily relate to advance consideration received from customers for which revenue is recognised when the performance obligation is over.

Rupees in Lacs

	2020-21	2019-20
<b>Contractual liabilities</b>		
Opening balance as on April 01	563.42	711.24
Add: Fresh advances from customers	10,157.76	1,085.57
Less: Advance adjusted against invoices	(9,552.13)	(1,233.39)
Closing balance as on March 31	1,169.05	563.42

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

**NOTE 21: OTHER INCOME**

Rupees in Lacs

	2020-21	2019-20
Interest income	938.54	760.74
Dividend income on non current investments	0.28	0.44
Net gain on sale of fixed assets	278.62	-
Net gain on foreign currency transactions and translation	-	241.86
Profit on sale of investments	88.06	-
Bad debts written off earlier now recovered	-	19.95
Insurance claim	12.17	7.37
Lease income	2.52	2.52
Export duty drawback	130.22	82.77
Miscellaneous receipts	23.87	71.03
	<b>1,474.28</b>	<b>1,186.68</b>

**NOTE 22: COST OF MATERIALS CONSUMED**

Rupees in Lacs

	2020-21	2019-20
Opening stock	4,630.79	4,763.43
Add: Purchases	30,235.29	32,440.53
	<b>34,866.08</b>	<b>37,203.96</b>
Less: Closing stock	4,507.91	4,630.79
	<b>30,358.17</b>	<b>32,573.17</b>

**NOTE 23: PURCHASE OF STOCK IN TRADE**

Rupees in Lacs

	2020-21	2019-20
Traded goods	337.47	609.76

**NOTE 24: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

Rupees in Lacs

	2020-21	2019-20
<b>Closing Stock</b>		
Traded goods	116.03	129.67
Work-in-progress	1,280.79	1,386.74
Finished goods	3,060.47	3,687.02
	<b>4,457.29</b>	<b>5,203.43</b>
<b>Opening Stock</b>		
Traded goods	129.67	101.61
Work-in-progress	1,386.74	1,127.10
Finished goods	3,687.02	2,146.52
	<b>5,203.43</b>	<b>3,375.23</b>
Net (increase)/decrease in opening and closing stock	<b>746.14</b>	<b>(1,828.20)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021****NOTE 25: EMPLOYEE BENEFITS EXPENSE**

Rupees in Lacs

	2020-21	2019-20
Salaries, wages, bonus and allowances	6,303.99	6,662.13
Contribution to provident and other funds	247.97	270.99
Staff welfare expenses	454.81	494.28
	7,006.77	7,427.40

**NOTE 26: FINANCE COSTS**

Rupees in Lacs

	2020-21	2019-20
Interest on financial liabilities carried at amortised cost	191.91	230.80
Interest on lease liability	23.61	30.07
	215.52	260.87

**NOTE 27: DEPRECIATION AND AMORTISATION EXPENSE**

Rupees in Lacs

	2020-21	2019-20
Depreciation of property, plant and equipment (Refer Note 2)	1,642.30	1,618.90
Depreciation of right of use assets (Refer Note 3)	151.92	227.98
Amortisation of intangible assets (Refer Note 4)	46.39	54.10
	1,840.61	1,900.98

**NOTE 28: OTHER EXPENSES**

Rupees in Lacs

	2020-21	2019-20
Stores and spares consumed	689.30	457.09
Packing materials consumed	2,222.36	2,204.87
Power and fuel	430.61	531.53
Job work charges	4,506.98	4,262.36
Drawings, designs and layout expenses	27.36	43.10
Rent	106.72	90.21
Repairs and renewals:		
Buildings	128.60	378.62
Plant and machinery	247.56	445.68
Other assets	156.94	292.66
	533.10	1,116.96
Insurance	220.06	225.35
Rates and taxes	112.18	172.00
Printing and stationery	56.31	75.02
Travelling and conveyance	298.88	630.27
Communication expenses	80.36	92.07
Legal and professional charges	697.31	840.30
Auditors' remuneration:		
As auditors	6.15	5.83
For tax audit	1.50	1.39

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

	<b>2020-21</b>	<b>2019-20</b>
For taxation matters	<b>1.50</b>	1.39
Reimbursement of expenses	-	0.92
	<b>9.15</b>	9.53
Cost auditors' remuneration:		
As auditors	<b>1.58</b>	1.58
Directors' fees	<b>5.50</b>	5.55
Loss on fixed assets sold / discarded (net)	-	5.04
Loss on foreign currency transactions and translation	<b>61.75</b>	-
Vehicle expenses	<b>72.23</b>	68.02
Donations and contributions	<b>34.00</b>	36.57
Business promotion	<b>102.57</b>	245.00
VAT / GST expenses	<b>41.74</b>	148.62
Service tax	<b>0.22</b>	1.84
Freight and forwarding (net)	<b>1,197.04</b>	1,127.56
Bad debts written off	<b>53.22</b>	161.32
Provision for expected credit loss	<b>2.76</b>	23.43
Research and development expenses	<b>155.46</b>	183.58
Discount and commission	<b>8.91</b>	22.64
Guards and security	<b>175.02</b>	181.99
Common area maintenance expenses (Net)	<b>(523.75)</b>	(122.33)
Bank charges	<b>69.81</b>	65.35
Corporate social responsibility	<b>185.53</b>	82.87
Fees & registration	<b>40.56</b>	65.65
SAP expenses	<b>65.02</b>	48.33
Royalty expenses	<b>31.20</b>	17.50
Membership & subscription	<b>19.93</b>	21.06
Administrative & other expenses	<b>167.18</b>	180.70
Miscellaneous expenses	<b>158.00</b>	178.92
	<b>12,116.16</b>	13,501.45

**NOTE- 29: EXCEPTIONAL ITEMS**

On January 1, 2019, a fire broke out in one of the production units of the Holding Company at Vapi resulting in loss of assets comprising of inventories, building, plant & machinery and other fixed assets.

These assets were adequately insured on reinstatement basis, the book value of these assets at Rs. 618.78 Lacs on the date of claim was duly debited to the Statement of Profit and Loss and same was disclosed as an Exceptional Item in FY 2018-19.

During the FY 2019-20, the Holding Company received Rs. 806.71 Lacs from Insurance Company as part settlement of claim and Rs. 52.71 Lacs towards scrap realisation on disposal of damaged assets and the same has been disclosed as Extraordinary income. The reinstatement of some of these assets is still in progress and the balance claim is expected to be finalised once the reinstatement is completed.

**NOTE- 30: CAPITAL MANAGEMENT**

For the purpose of the Group's capital management, capital includes issued capital and other equity reserves, long term funds attributable to the Equity Shareholders of the Group. The primary objective of the Group's Capital Management is to maximise shareholders value and keep the debt equity ratio within acceptable range. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

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

The Group monitors capital using adjusted net debt to equity ratio. For this purpose, Group's adjusted net debt and its equity position is as follows.

	Rupees in Lacs	
	As at March 31, 2021	As at March 31, 2020
Non-current long term borrowings	19.41	20.06
Loans repayable on demands from banks	1,390.61	1,312.86
Current maturity of long term debt	21.38	43.40
Gross debt	1,431.40	1,376.32
Less - Cash and cash equivalents	5,427.23	3,345.08
Less - Other bank deposits	20,036.71	11,205.43
<b>Adjusted net debt</b>	<b>(24,032.54)</b>	<b>(13,174.19)</b>
Total equity	51,403.12	44,480.55
<b>Adjusted net debt to equity ratio</b>	<b>(0.47)</b>	<b>(0.30)</b>

### NOTE- 31 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to various financial risks, including market risk, credit risk and liquidity risk. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group by setting appropriate limits and controls and monitoring such risks. The policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

#### Credit risk

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Group is exposed to credit risk arising from its operating (primarily trade receivables) and investing activities including deposits placed with banks.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through close monitoring of receivables and having a strict control on allowing the credit period to customers. Additionally, the Group does not have any significant concentration of exposures to specific industry sectors or specific country risks.

The Group limits its exposure to credit risk for investments by generally investing in fixed deposits and only with counterparties that have a good credit rating.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Considering that significant part of Group's sales in Surface Finishings division is either with established dealer network where payments are generally in advance/cash on delivery or with direct customers wherein credit worthiness as well as credit limits, wherever possible, are closely monitored on a case to case basis by Management, Group expects a low probability of default on trade receivables as on March 31, 2021. Going forward Management has factored in the uncertainties for deliveries subsequent to March 31, 2021.

#### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet the financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both, normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

The Group has unutilised working capital limits from banks of Rs. 8,609 Lacs as on March 31, 2021 (Rs. 8,687 lacs as on March 31, 2020), cash and cash equivalents of Rs. 5,427.23 Lacs as on March 31, 2021 (Rs. 3,345.08 Lacs as on March 31, 2020) and in fixed deposits of Rs. 20,036.71 Lacs as on March 31, 2021 (Rs. 11,205.43 Lacs as on March 31, 2020). Therefore, Group does not expect any material Liquidity risk.

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

With significant investments in fixed deposits, cash in hand and available borrowing lines as mentioned above, the Group does not envisage any material effect on its liquidity.

The table below provides details regarding the contractual maturities of significant financial liabilities

Rupees in Lacs

	Less than 1 year	1-3 years	More than 3 years	Total
<b>As at March 31, 2021</b>				
Non current borrowings	-	19.41	-	<b>19.41</b>
Non current financial liabilities	-	636.16	1,039.77	<b>1,675.93</b>
Current borrowings	1,897.61	-	-	<b>1,897.61</b>
Trade payable	9,466.11	-	-	<b>9,466.11</b>
Other financial liabilities	2,885.78	-	-	<b>2,885.78</b>
<b>As at March 31, 2020</b>				
Non current borrowings	-	20.06	-	20.06
Non current financial liabilities	-	789.56	483.13	1,272.69
Current borrowings	1,859.86	-	-	1,859.86
Trade payable	8,155.32	-	-	8,155.32
Other financial liabilities	2,965.25	-	-	2,965.25

### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes investments, trade payables, trade receivables and loans.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Group has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal.

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group generally enters into forward exchange contracts to hedge its foreign currency exposures for imports wherever required.

The carrying amounts of the Group's foreign currency denominated monetary items are as follows:

Rupees in Lacs

Currency	Liabilities		Assets	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
US Dollars	<b>169.54</b>	335.89	<b>948.16</b>	629.17
EURO	<b>12.29</b>	2.41	<b>325.53</b>	44.58
JPY	-	12.40	-	9.28

The table below demonstrates the sensitivity to a 1% increase or decrease in the foreign currency against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 1% represents management's assessment of reasonably possible change in foreign exchange rate.

Rupees in Lacs

Change in rate	Liabilities		Assets	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
+1%	<b>183.65</b>	354.20	<b>1,286.43</b>	689.86
-1%	<b>180.01</b>	347.19	<b>1,260.96</b>	676.20

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

### Other price risks

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and bonds.

The Group does not have significant investments in quoted shares. Hence the 10% price sensitivity upward/downward will not have any material impact on the profitability of the Group.

### NOTE- 32: FAIR VALUES AND HIERARCHY

#### Financial instruments – Fair values

##### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below .

Rupees in Lacs

March 31, 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial assets</b>								
Investments	1.87	-	15.07	16.94	-	1.87	15.07	16.94
Others financial assets (Non current)	-	-	474.06	474.06	-	-	474.06	474.06
Trade receivables	-	-	12,701.12	12,701.12	-	-	12,701.12	12,701.12
Cash and cash equivalents	-	-	5,427.23	5,427.23	-	-	5,427.23	5,427.23
Other balances with banks	-	-	19,975.96	19,975.96	-	-	19,975.96	19,975.96
Others financial assets (Current)	-	-	820.41	820.41	-	-	820.41	820.41
	1.87	-	39,413.85	39,415.72	-	1.87	39,413.85	39,415.72
<b>Financial liabilities</b>								
Borrowings (Non current)	-	-	19.41	19.41	-	-	19.41	19.41
Lease liabilities (Non current)	-	-	181.43	181.43	-	-	181.43	181.43
Other financial liabilities(Non current)	-	-	1,675.93	1,675.93	-	-	1,675.93	1,675.93
Borrowings (Current)	-	-	1,897.61	1,897.61	-	-	1,897.61	1,897.61
Trade payables	-	-	9,466.11	9,466.11	-	-	9,466.11	9,466.11
Lease liabilities (Current)	-	-	59.37	59.37	-	-	59.37	59.37
Other financial liabilities (Current)	-	-	2,885.78	2,885.78	-	-	2,885.78	2,885.78
	-	-	16,185.64	16,185.64	-	-	16,185.64	16,185.64



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

Rupees in Lacs

March 31, 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Financial assets</b>								
Investments	0.91	-	31.64	32.55	-	0.91	31.64	<b>32.55</b>
Loans (Non current)	-	-	45.08	45.08	-	-	45.08	<b>45.08</b>
Others financial assets (Non current)	-	-	1,408.02	1,408.02	-	-	1,408.02	<b>1,408.02</b>
Trade receivables	-	-	11,394.70	11,394.70	-	-	11,394.70	<b>11,394.70</b>
Cash and cash equivalents	-	-	3,345.08	3,345.08	-	-	3,345.08	<b>3,345.08</b>
Other balances with banks	-	-	10,192.13	10,192.13	-	-	10,192.13	<b>10,192.13</b>
Others financial assets (Current)	-	-	535.46	535.46	-	-	535.46	<b>535.46</b>
	<b>0.91</b>	<b>-</b>	<b>26,952.11</b>	<b>26,953.02</b>	<b>-</b>	<b>0.91</b>	<b>26,952.11</b>	<b>26,953.02</b>
<b>Financial liabilities</b>								
Borrowings (Non current)	-	-	20.06	20.06	-	-	20.06	<b>20.06</b>
Lease liabilities (Non current)	-	-	218.76	218.76	-	-	218.76	<b>218.76</b>
Other financial liabilities (Non Current)	-	-	1,272.69	1,272.69	-	-	1,272.69	<b>1,272.69</b>
Borrowings (Current)	-	-	1,859.86	1,859.86	-	-	1,859.86	<b>1,859.86</b>
Lease liabilities (Current)	-	-	126.19	126.19	-	-	126.19	<b>126.19</b>
Trade payables	-	-	8,155.32	8,155.32	-	-	8,155.32	<b>8,155.32</b>
Other financial Liabilities (Current)	-	-	2,965.25	2,965.25	-	-	2,965.25	<b>2,965.25</b>
	<b>-</b>	<b>-</b>	<b>14,618.13</b>	<b>14,618.13</b>	<b>-</b>	<b>-</b>	<b>14,618.13</b>	<b>14,618.13</b>

**B. Measurement of fair values**

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used:

Financial instruments measured at fair value

Type	Valuation technique
Forward contracts for foreign exchange contracts	Forward pricing : The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Non current financial assets / liabilities measured at amortised cost	Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

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

### NOTE 33: EXPLANATORY INFORMATION & OTHER ADDITIONAL NOTES

- A.** The Notes to these Consolidated Financial Statements are disclosed to the extent necessary for presenting a true and fair view of the Consolidated Financial Statements. The Group has given disclosures in the Notes to the extent it is relevant for Consolidated Financial Statements in line with the General Circular No. 39/2014 dated 14th October 2014.
- B.** Disclosures related to related party transactions, employee benefits, capital commitments, lease payments, research and development activities, dues from MSMED, donation to political parties, contract in progress, corporate social responsibility, forward contracts and unhedged foreign currency exposure are same as disclosed in the Standalone Financial Statements of the Holding Company, except for elimination of related party transactions with subsidiary companies.

**C. Earnings per share**

Particulars		2020-21	2019-20
Profit for the year	Rupees in Lacs	6,881.03	7,584.08
Weighted average number of Equity shares	(Nos. in Lacs)	2,267.06	2,267.06
(Face value Re. 1 per share)			
Basic earnings per share	(Rupees)	3.04	3.35
Diluted earnings per share	(Rupees)	3.04	3.35

**D. Contingent liabilities not provided for:**

Rupees in Lacs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Disputed matters in appeal / contested in respect of:</b>		
- Income tax	24.27	24.26
- Excise duty/ Service tax (Paid Rs. 91.02 Lacs (PY Rs. 91.02 Lacs))	608.70	611.85
- VAT (Paid Rs. 34.19 Lacs (PY Rs. 31.20 Lacs))	317.68	236.39
- Others (Paid Rs. 32 lacs (PY Rs. 32 Lacs))	66.00	66.00
<b>Bank guarantees</b>	<b>1,723.04</b>	<b>1,281.29</b>

It is not possible for the Group to estimate the timing of cash flows, if any, in respect of above pending matters.

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

**E. Additional information as required under Schedule III to the Companies Act 2013 of enterprises consolidated as subsidiaries/associates**

Rupees In Lacs

Name of the Entity	Net assets, i.e., total assets minus total liabilities				Share in profit or (loss)				Share in Other Comprehensive Income (OCI)				Share in Total Comprehensive Income (TCI)			
	As at March 31, 2021		As at March 31, 2020		2020-21		2019-20		2020-21		2019-20		2020-21		2019-20	
	As % of consolidated net assets	Rupees in Lacs	As % of consolidated net assets	Rupees in Lacs	As % of net profit	Rupees in Lacs	As % of net profit	Rupees in Lacs	As % of OCI	Rupees in Lacs	As % of OCI	Rupees in Lacs	As % of TCI	Rupees in Lacs	As % of TCI	Rupees in Lacs
<b>Parent</b>																
Grauer & Weil (I) Limited	99.7%	51,565.30	99.5%	44,560.56	100.8%	6,963.15	99.9%	7,579.43	100.0%	(69.44)	100.0%	(109.96)	100.9%	6,893.71	99.9%	7,469.47
<b>Subsidiaries</b>																
Foreign																
Grauer & Weil (Shanghai) Limited	0.0%	8.43	0.0%	7.72	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Growel Chemicals Co. Limited	0.3%	137.79	0.4%	194.33	-0.8%	(58.30)	0.1%	8.44	0.0%	-	0.0%	-	-0.9%	(58.30)	0.1%	8.44
Grauer & Weil (UK) Limited	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
<b>Subtotal</b>	100.0%	51,711.52	100.0%	44,762.61	100.0%	6,904.85	100.0%	7,587.87	100.0%	(69.44)	100.0%	(109.96)	100.0%	6,835.41	100.0%	7,477.91
<b>Associates</b>																
Indian																
Growel Sidasa Industries Private Limited	-	-	-	0.17	-	-	-	-	-	-	-	-	-	-	-	-
Grauer & Weil Engineering Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Foreign</b>																
Grauer & Weil (Thailand) Co. Ltd.		9.27		21.77		(12.67)		-		-		-		(12.67)		-
Adjustments arising out of consolidation		(317.67)		(304.00)		(11.15)		(3.79)		-		-		(11.15)		(3.79)
<b>Total</b>		51,403.12		44,480.55		6,881.03		7,584.08		(69.44)		(109.96)		6,811.59		7,474.12

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

### F. Segment reporting

The following tables present revenue and profit/(loss) information regarding business/ geographical segments for the year ended March 31, 2021 and certain assets and liabilities information regarding business and geographical segments as at March 31, 2021.

#### (a) Primary segment reporting

Rupees in Lacs

	Surface Finishing	Engineering	Shoppertainment	Total
<b>Segment revenue</b>				
<b>Income from operations</b>	<b>53,032.86</b>	<b>6,323.22</b>	<b>1,227.03</b>	<b>60,583.11</b>
	(53,629.18)	(4,897.63)	(3,394.07)	(61,920.88)
Add : Other income	<b>128.18</b>	<b>14.86</b>	<b>32.23</b>	<b>175.27</b>
	(271.40)	(40.37)	(45.10)	(356.87)
Add : Unallocable income				<b>1,299.00</b>
				(849.21)
<b>Total</b>	<b>53,161.04</b>	<b>6,338.08</b>	<b>1,259.26</b>	<b>62,057.39</b>
	(53,900.58)	(4,938.00)	(3,439.17)	(63,126.96)
<b>Segment results</b>	<b>9,209.24</b>	<b>1,249.60</b>	<b>709.80</b>	<b>11,168.64</b>
	(9,653.75)	(139.55)	(2,357.40)	(12,150.70)
Less : Finance cost				<b>215.52</b>
				(260.87)
Less : Other unallocable expenditure net of unallocable income				<b>1,529.24</b>
				(2,348.88)
<b>Profit before tax</b>				<b>9,423.88</b>
				(9,540.95)
Less : Provision for current and deferred tax				<b>2,542.85</b>
				(1,956.87)
<b>Profit after tax</b>				<b>6,881.03</b>
				(7,584.08)
Segment assets	<b>35,204.70</b>	<b>3,524.64</b>	<b>9,226.56</b>	<b>47,955.90</b>
	(33,577.12)	(2,531.60)	(9,595.52)	(45,704.24)
Unallocated corporate assets				<b>27,029.85</b>
				(18,489.85)
<b>Total assets</b>				<b>74,985.75</b>
				(64,194.09)
Segment liabilities	<b>11,834.75</b>	<b>3,094.45</b>	<b>2,360.90</b>	<b>17,290.10</b>
	(10,705.88)	(1,852.06)	(2,191.82)	(14,749.76)
Unallocated corporate liabilities				<b>57,695.65</b>
				(49,444.33)
<b>Total liabilities</b>				<b>74,985.75</b>
				(64,194.09)
Capital expenditure	<b>1,627.38</b>	<b>95.58</b>	<b>53.67</b>	
	(1,562.75)	(71.51)	(173.31)	
Depreciation	<b>962.96</b>	<b>86.10</b>	<b>639.35</b>	
	(980.12)	(82.03)	(687.46)	

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

**(b) Secondary segment reporting**

Rupees in Lacs

	Domestic	Foreign	Total
Revenue	<b>55,996.00</b> (58,016.53)	<b>6,061.39</b> (5,110.43)	<b>62,057.39</b> (63,126.96)
Total assets	<b>73,759.08</b> (63,536.04)	<b>1,226.67</b> (658.05)	<b>74,985.75</b> (64,194.09)

Note : Previous year's figures are in brackets

**G.** Covid-19 pandemic has caused significant impact on the business environment and the economy. The Group has considered possible impact, if any, due to the current second wave of the pandemic and selective lock down declared in different parts of the world. Based on the current indicators and future economic conditions, the Group does not foresee any incremental risk regarding recoverability of assets and ability to service financial obligations. The Group has strong net worth and has serviced all its obligations in a timely manner.

**H.** Previous Year's figures have been regrouped and reclassified wherever required.

**Signatures to Notes 1 to 33 which form an integral part of these financial statements**

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

**As per our report of even date attached**

**For SCA AND ASSOCIATES**

Chartered Accountants  
(Firm Reg. No. 101174W)

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

**UMESHKUMAR MORE**

Chairman  
DIN: 00112662

**NIRAJKUMAR MORE**

Managing Director  
DIN: 00113191

**SHIVRATAN AGARWAL**

Partner  
Membership No. 104180

**VINOD HARITWAL**

CEO & Director  
DIN: 00112862

**GURINDER SINGH GULATI**

CFO & President Commercial  
Membership No. 090728

**CHINTAN K. GANDHI**

Company Secretary  
Membership No. 21369

Mumbai: June 30, 2021

**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

Rupees In Lacs

Part "A": Subsidiaries				
Sr. No.	Name of the subsidiary company	1	2	3
		Grauer & Weil (Shanghai) Limited	Growel Chemicals Co. Limited	Grauer & Weil UK Limited
		(Wholly owned subsidiary)		
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Jan - Dec 2020	Jan - Dec 2020	July - June 2020
2	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	CNY (Renminbi)	THB (Thai Baht)	GBP
		1 CNY = 11.1834 INR	1 THB = 2.4355 INR	1 GBP = 93.641 INR
3	Share capital	382.59	213.72	-
4	Reserves & surplus	(374.15)	(75.92)	-
5	Total assets	8.44	290.12	-
6	Total liabilities	-	152.32	-
7	Investments	-	-	-
8	Turnover	-	297.89	-
9	Profit before taxation	-	(58.30)	-
10	Provision for taxation	-	-	-
11	Profit after taxation	-	(58.30)	-
12	Proposed dividend	-	-	-
13	% of shareholding	100%	100%	100%
1	Names of subsidiaries which are yet to commence operations	None		
2	Names of subsidiaries which have been liquidated during the year	Grauer & Weil UK Limited (upto 06/10/2020)		

Rupees In Lacs

Part "B": Associates				
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies				
Sr. No.	Name of associates	Grauer & Weil Engineering Private Limited	Grauer & Weil (Thailand) Co. Limited	Growel Sidasa Industries Private Limited
1.	Latest audited balance sheet date	31.03.2020	31.12.2020	31.03.2020
2.	Shares of associate held by the company on the year end (No. of shares)	1,49,980	58,800	12,88,300
	Amount of investment in associates	14,99,800	83,82,510	1,28,83,000
	Extend of holding %	29.99%	48.99%	49.80%
3.	Description of how there is significant influence	By virtue of 29.99% shareholding	By virtue of 48.99% shareholding	By virtue of 49.80% shareholding
4.	Reason why the associate is not consolidated	Not Applicable	Not Applicable	Not Applicable
5.	Networth attributable to shareholding as per latest audited balance sheet	(27.61)	(63.58)	(128.66)
6.	Profit / loss for the year	(0.10)	(25.52)	(0.75)
i.	Considered in consolidation	-	(12.67)	-
ii.	Not considered in consolidation	(0.10)	(12.85)	(0.75)
1.	Names of associates which are yet to commence operations	None		
2.	Names of associates which have been liquidated or sold during the year	None		



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**SINCE 1957**

**Grauer & Weil (India) Limited**

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**Chemicals | Engineering | Paints | Lube | Real Estate**