ELECON
GEARING THE FUTURE

3rd June, 2022

To,

The Manager (Listing), **The BSE Ltd.** **Mumbai**	The Manager (Listing), **National Stock Exchange of India Ltd.** **Mumbai**
Company's Scrip Code: 505700	Company's Scrip Code: ELECON

Sub : 62nd Annual Report of the Company for the Financial Year 2021-22
Ref : Regulation 34 of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

In terms of the subject referred Regulation, we hereby submit the 62nd Annual Report of Elecon Engineering Company Limited for the Financial Year 2021-22. The 62nd Annual General Meeting (AGM) of the Company is to be convened on Tuesday, 28th June, 2022 at 3.00 p.m. (IST) through Video Conferencing ('VC')/ Other Audio Video Means ('OAVM').

Please note that the electronic copy of the 62nd Annual Report for the Financial Year 2021-22 alongwith the Notice of 62nd AGM and Business Responsibility Report (BRR) is being sent by email to those Members whose email addresses are registered with the Company/Depositories. The requirements of sending physical copy of the Notice of the AGM and Annual Report to the Members have been dispensed with vide relevant MCA Circulars and SEBI Circulars. The Notice of the 62nd AGM and the Annual Report 2021-22 are also being uploaded on the website of the Company at www.elecon.com and on the website of Link Intime India Private Limited at https://instavote.linkintime.co.in.

Please take the same on your record.

Thanking you.

Yours faithfully,
For Elecon Engineering Company Limited,

Bharti Isarani
Company Secretary & Compliance Officer

Encl.: As above

Gearing industries. Gearing economies.

ELECON ENGINEERING COMPANY LIMITED, Post Box # 6, Vallabh Vidyanagar - 388 120, Gujarat, India. **Tel.:** +91 - 2692 - 238701, 238702. **Fax:** +91 - 2692 - 227484.
CIN L29100GJ1960PLC001082 | infogear@elecon.com | www.elecon.com

62nd ANNUAL REPORT 2021-22

Elecon celebrates 70 years of business excellence

Then

Old workshop - Gear Divison

Now

Inside view of Bhanubhai Memorial Centre of Excellence (BMCE)

About Cover

Elecon Engineering Company Limited is a trademark that reflects leadership and relentless innovations in the power transmission industry, and as an integrated solution provider for the entire value chain of material handling systems in India.

Elecon was established in Goregaon, Mumbai by Late Shri Ishwarbhai B. Patel. A company fundamentally driven by "excellence" around technical innovations had its early focus on engineering, procurement and construction projects. After relocating its base to Anand, Gujarat in 1960, Elecon continued to innovate in manufacturing Power Transmission Equipment and established a dedicated Gear Division in 1976.

Today, Seven decades later since its foundation, Elecon stands as an attestation to the formidable efforts and the visions of its founding fathers and their successors. Elecon reigns as the largest industrial gear manufacturing company in Asia, located in the Anand city of Gujarat. Since its inception, Elecon's prime focus has remained on research & development, innovation and acquiring new-age technological advancements.

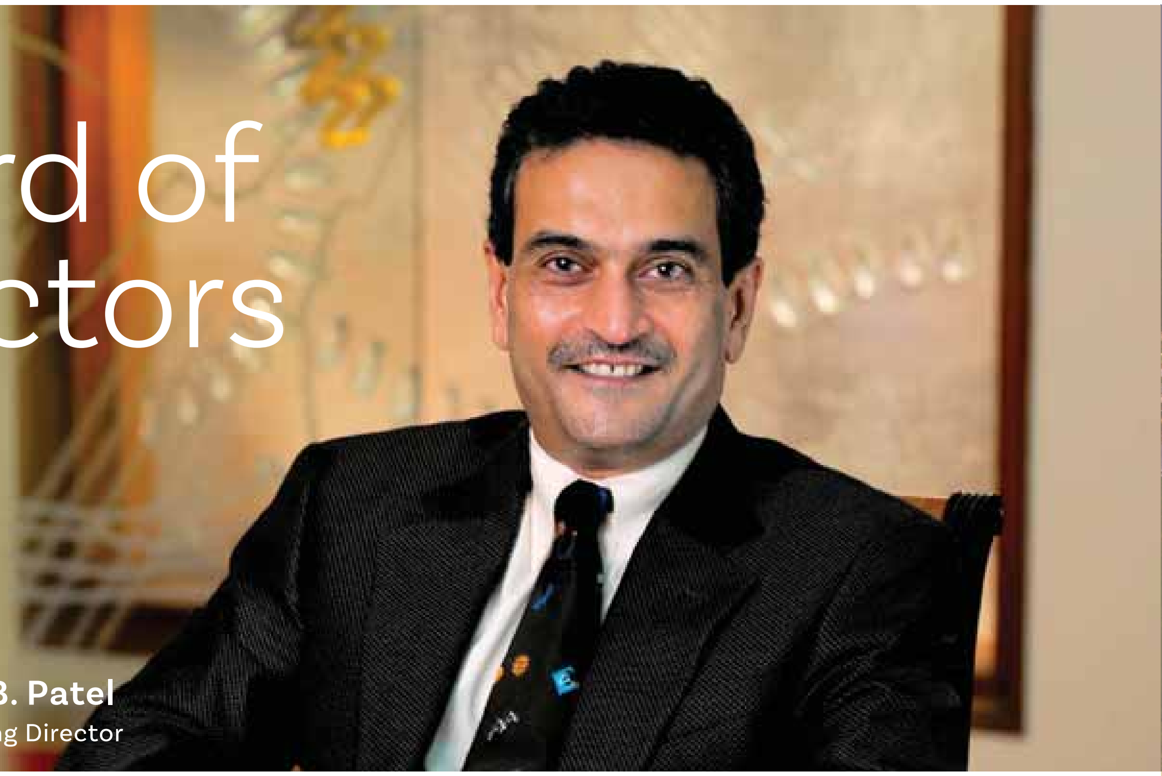
Driven by the vision of creating a formidable global presence in the realm of power transmission, Elecon has developed a range of products that outperform the best in business in terms of innovation & quality, and has made its presence stronger in the U.S., the U.K., Middle-east, Africa and Singapore. As the industry leader, Elecon continues to outperform by driving excellence in our products and boosting our production power, manufacturing the most superior quality catalogue and custom range of precision-engineering products. The Material Handling Division at Elecon has equally flourished and has many unique credits to its name showcasing its potential for driving excellence everywhere.

In the post-Covid era, Elecon remains primarily focused on technological innovation, research & development for the evolving industry. Commemorating the relentless aspirations of its founding father Late Shri Bhanubhai I. Patel, BMCE was created. "Bhanubhai Memorial Centre of Excellence" (BMCE) is a state-of-the-art ultra-modern gear production lean unit conceptualized by Shri Prayasvin B. Patel, Chairman & Managing Director in 2012.

Assuring world-class quality, timely production and the shortest possible lead time, BMCE has been contributing to elevated production. Through constantly innovating and driving excellence everywhere, and eyes on innovation, Elecon continues to be the most preferred tech-savvy organization in the markets.

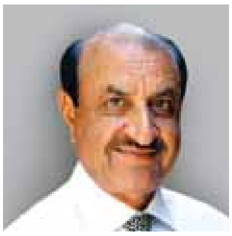
Contents

Board of Directors



Shri Prayasvin B. Patel
- Chairman & Managing Director

Shri Prashant C. Amin



Shri Pradip M. Patel

Shri Pranav C. Amin

Shri Jal R. Patel

Shri Jai S. Diwanji

Dr. Sonal V. Ambani

Chief Financial Officer
Shri Narasimhan Raghunathan

Company Secretary
Smt. Bharti Isarani

Auditors
M/S CNK & Associates LLP, Chartered Accountants

R & T Agent
Link Intime India Private Limited

Registered Office
Anand-Sojitra Road,
Vallabh Vidyanagar-388 120
Gujarat, India.

Elecon at Glance

Elecon Group was founded in the year 1951 in Goregaon, Mumbai by Late Shri Ishwarbhai B. Patel. Initially, the Company manufactured conveyor systems with a focus on Engineering, Procurement and Construction projects in India.

Elecon Engineering Company Limited was incorporated as a Private Limited Company in January 1960. In May 1960, the Company relocated its base to the current location in Vallabh Vidyanagar, Gujarat. Later in June 1962, the Company was listed on the Bombay Stock Exchange Limited and in November 2006 on National Stock Exchange of India Limited.

In the year 1963, the Company started manufacturing power transmission equipment. In 1976, the Company established an independent Gear Division, specializing in power transmission equipment. With an expertise of over Six-decades, the Company has successfully established its position as Asia's largest gear manufacturing company, directed by its global presence in Asia, US, UK and Europe. Elecon was the pioneer to introduce the modular design concept and case hardened & ground gear technologies in India. The Company has a proven track record in designing and manufacturing of worm gears, parallel shaft, right-angle shaft, helical & spiral level helical gears, fluid geared & flexible couplings, as well as the planetary gearboxes. With a vision of global dominance, Elecon has developed a complete range of products that match the best in the business in terms of quality and innovation and has an ultramodern Lean Gear Manufacturing unit known as the BMCE.

Elecon has always focused towards success through the Mantra of "Innovation, Change and Adaptability to the Change". Other than offering a complete range of power transmission solutions, Elecon is also an integrated solution provider for entire value chain of Material Handling Systems managed under its MHE Division. The MHE Division of Elecon has been successfully associated with numerous milestone projects in India, making us one of the most successful names offering complete Material Handling Equipment solutions.

Elecon takes pride in revolutionizing India's success story. The Company has been a leading name in Cement, Sugar, Defence, Steel, Mining, Power Sectors and many more. Within the last decade, the Gear Division has doubled its manufacturing capacity, revamped its internal component production and has a dedicated workforce for a responsive after-sales service.

With the prophecy of great customer satisfaction, Elecon has strategically devised its presence in India and overseas locations. Our teams of highly skilled and experienced professionals help in analyzing the root-cause and then providing optimally feasible and cost effective project management solutions.

Five Years at a Glance

(` in Lakhs)

	2021-22		2020-21		2019-20		2018-19		2017-18	
Particulars	Consolidated	Standalone	Consoli-dated	Stand-alone	Consoli-dated	Stand-alone	Consoli-dated	Stand-alone	Consoli-dated	Stand-alone
TURNOVER	1,20,355	88,442	1,04,444	79,610	1,08,846	83,574	1,22,480	95,546	1,18,972	91,954
EBIDTA (Excl. Other Income)	24,788	18,423	18,722	14,381	14,195	10,530	14,356	11,349	11,604	10,936
PAT	14,049	9,552	5,763	3,626	8,970	7,242	7,010	1,207	760	808
EQUITY DIVIDEND	1,571	1,571	449	449	-	-	220	224	220	224
DIVIDEND%	-	70%	-	20%	-	-	-	10%	-	10%
NET WORTH**	1,03,492	90,567	90,127	81,637	83,470	77,800	74,559	73,360	58,780	72,517
FIXED ASSETS (NET)	52,263	52,318	54,834	54,707	58,954	58,470	67,769	67,140	71,009	70,796
NUMBER OF EMPLOYEES(Nos.)		565		619		772		788		774
KEY INDICATORS										
EPS (`)	12.52	8.51	5.14	3.23	7.99	6.45	6.25	1.08	0.67	0.72
DEBT EQUITY RATIO	0.14	0.13	0.36	0.31	0.57	0.50	0.71	0.65	0.83	0.68
EBIDTA/ TURNOVER %	20.60	20.83	17.93	18.06	13.04	12.60	11.72	11.88	9.75	10.94
NET PROFIT MARGIN%	11.67	10.80	5.52	4.56	8.24	8.67	5.72	1.26	0.64	0.88
RETURN ON NET WORTH%	13.58	10.55	6.39	4.44	10.50	9.31	9.40	1.65	1.29	1.11
RETURN ON CAPITAL EMPLOYED%	11.93	14.39	4.81	9.77	7.10	6.44	0.51	0.96	0.06	0.64

**Networth: Paid up Share Capital + Other Equity - Intangible Assets

EBIDTA - Earnings Before Interest (Finance Cost), Depreciation & Amortization And Tax

PAT - Profit After Tax

EPS - Earnings Per Share

Credit Rating Updates:

Current Rating - May, 2022	Previous Rating - September, 2021	Previous Rating - December, 2020
BWR A (Outlook-Stable Upgrade)	BWR A - (Pronounced as BWR A Minus) (Outlook : Stable)	BWR A - (Pronounced as BWR A Minus) (Outlook : Negative)

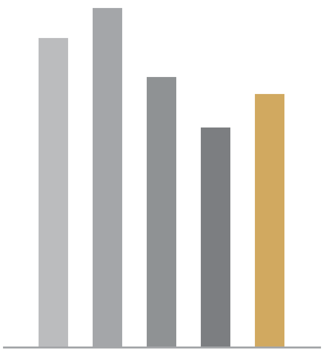
Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its Members. To support this green initiative of the Government, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill up the details in the form attached (refer page no. 237 of the Annual Report) and register the same with M/s. Link Intime India Pvt. Ltd., Vadodara.

Postage for sending the form will be borne by the Company.

Performance Indicators
(Standalone)

Net Sales
` in Lakhs



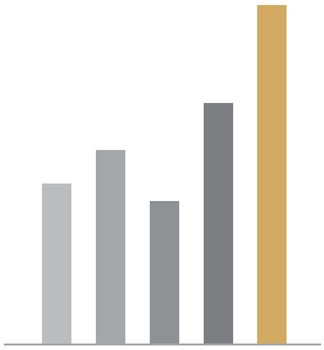
2018 - 2022

11.09%

Increase from 2021

- ` 88,442 2022
- ` 79,610 2021
- ` 83,574 2020
- ` 95,546 2019
- ` 91,954 2018

EBIDTA
` in Lakhs



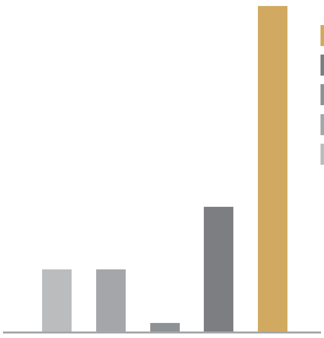
2018 - 2022

28.09%

Increase from 2021

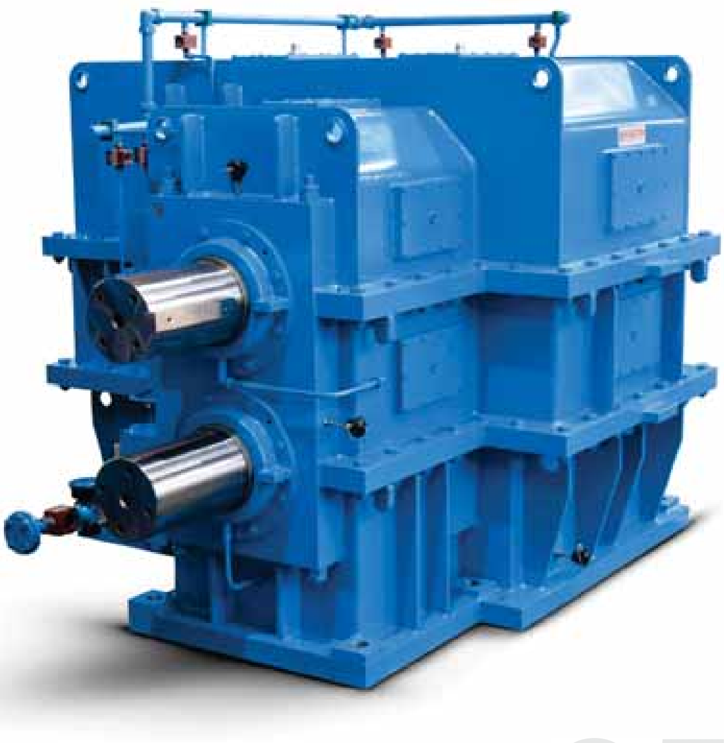
- ` 18,423 2022
- ` 14,381 2021
- ` 10,530 2020
- ` 11,349 2019
- ` 10,936 2018

Dividend
in %



2018 - 2022

- 70% 2022
- 20% 2021
- 0% 2020
- 10% 2019
- 10% 2018



Combined Gearbox & Pinion Stand for Steel Rolling Mills

Management Insight

We are pleased to have reported healthy performance in Fiscal 2022 led by our continuous efforts towards optimizing efficiency and cost reduction along with our focus on turning around our MHE division by strategically pursuing product business. We have made significant progress in terms of closure of few legacy projects. The demand environment continues to remain resilient despite challenging external environment due to ongoing geopolitical tension which has aggravated supply chain issues and resulted in inflationary pressures. Our relentless focus on reducing debt has resulted in the overseas subsidiary becoming debt free and we target to become net debt free at the consolidated levels. We are continuously working towards debottlenecking and ensuring better utilization of available capacity, working capital optimization and reduction in lead time. As such, we are confident that we will be able to create significant shareholder value in the coming years.

Prayasvin Patel - Chairman & Managing Director

We witnessed strong order intake in the Gears business due to favourable demand environment. Although the external environment has turned slightly challenging due to ongoing geopolitical conflict, we are seeing healthy inflow of orders from our end-user industries. We continue to focus on cost reduction initiatives along with improvement in overall production efficiency to mitigate the impact of rise in input and logistics cost. All our overseas entities have now turned profitable. We are presently working towards improving our market reach further in Europe, USA, Canada, and Latin America. The proposed increase in government capital expenditure announced in the recent budget augurs well for the industry and is likely to result in sustainable growth in the gears division.

M. M. Nanda - Head Gear Division

Fiscal 2022 marks the inflection point in terms of performance in the MHE division and we are fairly confident that the performance will improve further in the coming years. In the MHE division, we have successfully closed few legacy projects and collected the outstanding guarantees as well as payments and we intend to wind up the other loss-making projects in due course of time and completely focus on profitable products business. During the year, we undertook various cost optimization initiatives, streamlined execution capabilities and focused on improving receivables management. We are confident of turning around the performance in the MHE division led by our unwavering focus on choosing profitable business in the products business and staying away from loss making projects business.

P. K. Bhasin - Head MHE division

We are pleased with our performance in Fiscal 2022 owing to our focus towards streamlining existing operations and enhancing operational efficiencies. We continued to direct our efforts towards receivables, inventory management and debt reduction initiatives. During the fiscal year, the Gear division witnessed positive performance on the back of healthy inflow of orders of our end user industries. Our focus is to keep looking out for growth in the domestic market as well as increase penetration in the international market. We are witnessing positive momentum in the order intake and revenue in the US, Latin America and Canada operations. We continue to work towards making ourselves leaner and agile to tide over the challenging external environment. We are confident of improved performance going forward led by turnaround in the MHE division, cost reduction initiatives, improved profitability in the international businesses and substantial reduction in debt.

Narasimhan Raghunathan - Chief Financial Officer

Welding Robot with Multi Axis Control in Operation

Corporate Social Responsibility

Elecon Engineering Company Limited has always supported the welfare of local communities in the nearby region. Elecon strongly believes that serving the society is a responsibility. Be it education, health care, hygiene, medical care & nutrition, Elecon Group is emphatically invested in social welfare as its CSR.

Elecon Group of companies undertakes its CSR related activities through two banners, namely 'EL-Care' and 'ELF' (Elecon Ladies Forum) under the B. I. Patel Charitable Trust and I. B. Patel Charitable Trust under the leadership of Shri Prayasvin Patel - Elecon Group Chairman and Smt. Taruna Patel - CEO -Emtici Engineering Limited & Madhubhan Resort & Spa. Shri Prayasvin Patel has also been honored with the prestigious 'Charotar Ratna' award for his magnanimous efforts in serving local areas.

Highlights of the CSR activities carried out by the Company

ANNAPURNA:

The Elecon Ladies Forum adopted an initiative called "Annapurna" in the time of crisis during the pandemic. The activities are carried out to feed needy and poor people. Bhandaras were organized during the pandemic outside the Elecon campus.

The ELF team came forward for helping the needy and the underprivileged. The Company has been proactive in supporting people who have lost their livelihoods during the pandemic.

FOOD FOR FAMILY:

As a part of Elecon's philanthropic efforts, the Company supported the families of Covid-19 affected staff. Fresh and healthy food was provided.

EDUCATION:

Elecon facilitated meritorious students from economically weaker sections, by giving them scholarships that includes fees and expenses towards their boarding and lodging. 15 students in each academic year are awarded this scholarship, so on a rolling basis now Elecon gives this scholarship to 60 students. Elecon firmly believes in the power of education and provided this support to outstanding students of engineering schools.

HEALTHCARE:

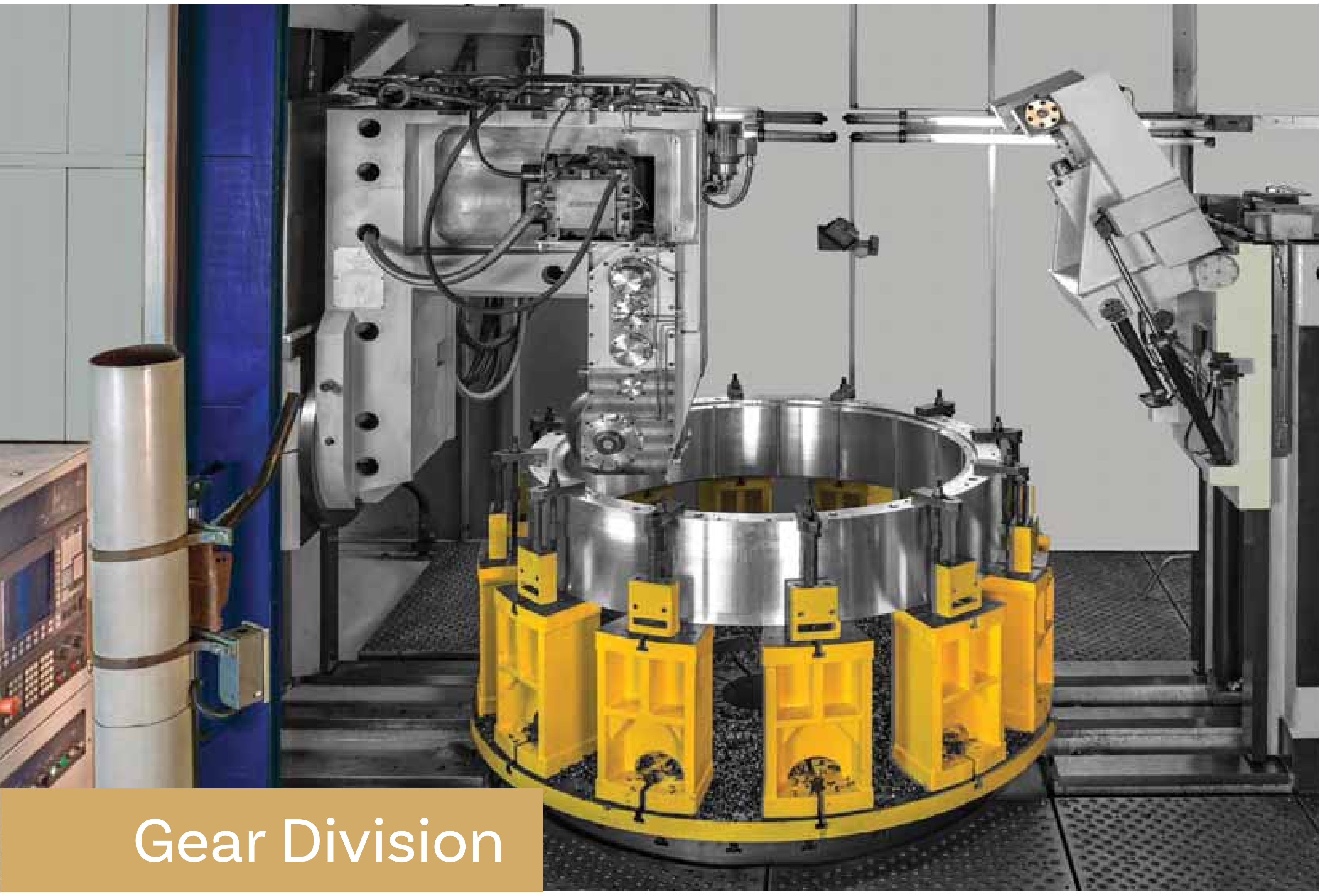
Healthcare is another area where Elecon has been actively contributing. Our dedicated teams continuously study and understand critical areas of opportunity and efficiently collaborates with social causes focused on helping the society and individuals. Elecon has always come forward supporting nearby hospitals, clinics, health care centers etc.

HAPPINESS SHARING:

Elecon organized a one day picnic for Specially abled children at Madhubhan Resort and Spa with the objective to bring some cheer to them.

WOMEN EMPOWERMENT:

Women are the formidable pillars of our society. To admire the contribution of every woman in our organization, Elecon celebrated International Women's Day with them, to acknowledge their contribution, and inspire their empowerment.



Gear Division

Hobbing of Annulus (Ring Gear) in Planetary Gearbox

Manufacturing Strengths

The year 2021-22 was a year of phenomenal success for Elecon's Gearbox business. Customer's growing confidence made Elecon's basket overflown with orders. It's Elecon's robust manufacturing facility, that could stand up to comply with such supply demand from market. Steel, Sugar and Cement are some of the prominent Industries drove the demand.

Elecon has consolidated its manufacturing facility at Vallabh Vidyanagar over the years with right investment at the appropriate time. That's why, today against increased requirement, Elecon could comfortably serve the market with right product as per customer's specified delivery schedule.

Be it state of the art plant for small and medium Gearbox parts manufacturing (namely Bhanubhai Memorial Centre of Excellence), the most modern and automated assembly cum testing centre, Elecon has optimised its infrastructure. Skill blended with manufacturing capability put Elecon at the top choice level for the customers in India and also at different parts of the globe. Elecon's quality and environmental consciousness are reflected in its ISO 9001:2015, BS OHSAS 18001:2007 & ISO 14001:2015 accreditations.

From small Worm Gearbox and Small Helical and then raising the sizes upto a mammoth Helical/ Bevel/Planetary Gearboxes - it's Elecon which can cater the entire product range in Mechanical Power Transmission industry. Gearboxes are well supplemented with all types of heavy duty Couplings and accessories to make the drive chain complete. Some of the feathers in Elecon Product range are Marine Gearbox for Defence, Vertical Mill Gearboxes in Cement & Power, Rolling Mill Pinion Stands, and Sugar Mill Planetary Drives.

Elecon's cutting edge technology and world class quality make it one of the largest Gearbox manufacturer in Asia. Elecon's supply, reach the Asia Pacific, Middle East, Europe, Americas, Africa apart from every nook and corner of India.

Growth Drivers

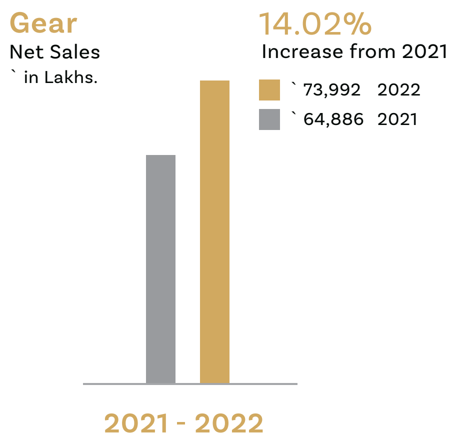
Covid 19 got subsided by the end of fiscal but it extracted the best of the ability of the company.

Being driven from the front by its visionary leader, Elecon could perform with more than normal efficiency level at this time of need and came out with flying colours fighting against all industrial, financial and health related odds.

Sugar Mill Planetary Drives, Large Sponge Iron Drive packages, Rolling Mill Pinion Stand Gearboxes, Vertical Roller Mill, Roller Press and Ball Mill Drives for Cement, Power & Mineral plants and finally Marine Gears for Defence are some of the drivers for the growth.

Elecon have always in look out of the development opportunities in Mechanical Power Transmission Drives. Elecon's leadership is further established when renowned Steel manufacturing companies from United Kingdom or Cement companies from South America come to Elecon for their critical Gearbox need apart from thousand other customers across the globe.

Net Sales
Gear Division
`73,992 Lakhs
In **2021-22**



Planetary Gearbox for Roller Press Drive in Cement Plant

Material Handling Equipment Division

SPEEDING UP WAGON UNLOADING – Rotary Tippler for high capacity wagon unloading in India

Manufacturing Strengths

- Elecon is endowed with expertise in Bulk Material Handling equipment and systems, built up over decades of innovation and technology upgradation.
- The initial years were spent in catering to the emerging core-sectors like Steel, Power, Fertilizer, Port and Mining.
- After independence, Government of India's drive for industrialisation gave fillip to engineering sector in particular and construction and project sector in general.
- Elecon decided to build its own manufacturing facilities to indigenously produce equipment and systems. At that point of time most of the major manufacturers were from Europe & North America.
- Since then we have grown manifold, making available to market an enviable range of products with global footprint.

Customers across the globe rely on our:

a) State of the art manufacturing facility

b) World class quality

c) Updated Design & Engineering capability

d) Exceptional execution skills

e) Prompt after-sales services and spares availability

f) Innovative solutions

Some recent Achievements:

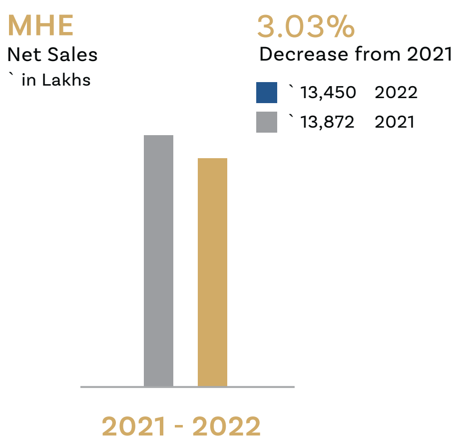
- In this year of pandemic-related challenges globally, Elecon managed to complete the Mega Coal Handling Plant at NTPC Gadarwara overcoming various problems with determination and focus.
- We have successfully completed the Commissioning and have done PG test for the significant order from IFFCO at Kandla, Gujarat for Scrapper Reclaimer.

- We are executing the Order for Wagon tippler with associated equipment for third time consecutively from Paradip Port Trust including by replacing the old tippler. The said project is under commissioning.
- We are executing the Order from Singareni Collieries for Relocatable conveyors for their mines located in the Ramagundam area.
- We are executing the Supply for the Order from SAIL Durgapur for Barrel Reclaimer for their Plant. The said project is under commissioning.
- Reputed customers have appreciated our manufacturing strength and have given us several equipment orders, while giving preference over other established world renowned suppliers.
- Cement industry has thrived even under difficult circumstances, largely supported by massive infrastructure growth. Several cement plants have added capacities. Our prestigious customer list includes Ultratech cement, Shree Cement, Wonder Cement, Chettinad Cement etc. and the projects awarded to Elecon are being executed as per their required timeline and quality standards.
- We have successfully commissioned the Stacker cum Reclaimer at NTPC Darlipalli Site and Kudgi Site.
- Major significant improvement has been achieved in this year in terms of reduction in Company's liability of Bank Guarantee exposure. Nearly 50% in value has been reduced.

Growth Drivers

- Diversification of the business by venturing in to new areas gave us exposure to new material handling requirements such as FGD packages, Health and life study of equipment / system and providing R&M solution to various customers.
- Considering that approval for commercial mining and allotment of various mines has been accorded by Government of India and that Coal India Subsidiaries have plans to execute several new projects, we are working closely with the industry to upgrade/develop various equipment/ systems like higher size crushers, semi-mobile crushers, to support many Mine Development Organizations.
- Operation & Maintenance of operating plants is another area of interest wherein efforts are being put to develop business through customer contacts.

Net Sales
MHE Division
`13,450 Lakhs
In 2021-22



Board's Report

3 Axis Co-Ordinate Measuring Machine

Dear Members,

Your Directors have pleasure in presenting this 62nd Annual Report together with the Audited Financial Statements for the financial year ended on 31st March, 2022.

You being our valued partners in the Company, we share our vision of growth with you. Our guiding principles are a blend of realism and optimism which has been and will be the guiding force of all our future endeavors.

The summary of financial highlight is given below:

Performance of the Company

Standalone Financial Performance

For the year ended on 31st March, 2022, the Company has achieved a Turnover of ₹88,442.47 Lakhs as against ₹79,609.68 Lakhs in the previous year.

For the year ended on 31st March, 2022, the Company has achieved Earnings Before Interest (Finance Cost), Depreciation & Amortization and Tax (EBIDTA) of ₹19,378.18 Lakhs as against the EBIDTA of ₹15,486.40 Lakhs during the previous year.

The Net Profit after tax of the Company for the financial year 2021-22 was ₹9,551.78 Lakhs compared to ₹ 3,626.49 Lakhs during the previous year.

The Company holds total unexecuted orders about ₹53,714 Lakhs (₹41,001 Lakhs for Gear Division and ₹12,713 Lakhs of MHE Division) as on 31st March, 2022. This will help us to continue to have sustainable growth in coming years.

Consolidated Operations

Your Company's total consolidated turnover for the year ended on 31st March, 2022 was ₹1,20,355.38 Lakhs as against ₹1,04,443.96 Lakhs for previous year.

For the year ended on 31st March, 2022, the Company has achieved EBIDTA of ₹25,500.17 Lakhs as against the EBIDTA of ₹19,133.63 Lakhs during the previous year.

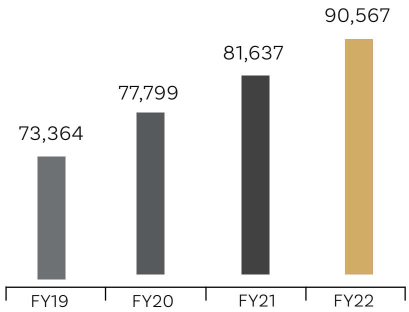
The Consolidated Net Profit after tax of the Company for the financial year 2021-22 was ₹13,905.02 Lakhs compared to ₹5,575.71 Lakhs during the previous year.

During the year under review, your Company's consolidated net worth is ₹1,05,023.78 Lakhs as against ₹91,924.83 Lakhs for previous year.

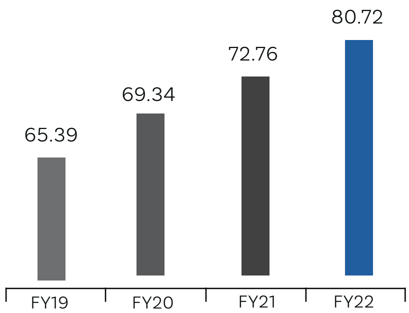
(` in Lakhs)

Particulars	Standalone		Consolidated	
	31/03/22	31/03/21	31/03/22	31/03/21
Turnover	**88,442.47**	79,609.68	**120,355.38**	1,04,443.96
Profit Before Tax, Finance Cost, Depreciation & Amortization and Adjustment for previous year (EBIDTA)	**18,422.51**	14,380.65	**24,643.98**	18,534.21
Add: Other Income	**955.67**	1105.75	**856.19**	599.42
EBIDTA (Including other income)	**19,378.18**	15,486.40	**25,500.17**	19,133.63
Less : Finance Cost	**3,191.74**	5,426.89	**3,734.12**	5,980.63
Depreciation & Amortization	**3,825.19**	4,231.33	**4,857.64**	5,211.23
Profit Before Tax	**12,361.25**	5,828.18	**16,908.41**	7,941.77
Less: Provision for Tax	**2,850.00**	-	**3,057.15**	134.28
Deferred Tax	**(163.90)**	2,201.69	**(177.13)**	2,201.69
Short/(Excess) Prov. of earlier years	**123.37**	-	**123.37**	30.09
Profit After Tax	**9,551.78**	3,626.49	**13,905.02**	5,575.71
Add:				
Others Comprehensive Income	**(284.79)**	84.12	**(501.51)**	742.35
Share of Profit of Associates		-	**144.23**	187.39
Previous Year Balance Brought Forward	**25,239.78**	21,529.17	**39,731.62**	33,226.17
PROFIT AVAILABLE FOR APPROPRIATION	**34,506.77**	25,239.78	**53,279.36**	39,731.62
APPROPRIATIONS:				
Dividend paid	**448.80**	-	**448.80**	-
Income Tax on Dividend		-	-	-
Transfer to Retained Earnings	**(2,500.00)**	--	**(2,500.00)**	--
Transfer to General Reserve		--	-	--
Transfer to Reserve (merger)		-	-	--
Balance Carried Forward	**36,557.97**	25,239.78	**55,330.56**	39,731.62

Net Worth (` in Lakhs)



Book Value of Shares `



Dividend

Your Directors have recommended Final Dividend of `1.00/- (i.e. 50%) and additionally Special Dividend of `0.40/- (i.e. 20%), to mark 70 years of Elecon Brand, which aggregates to `1.40/- (i.e. 70%) per Equity Share of `2/- each for the financial year ended on 31st March, 2022 (previous year `0.40 per share). The said dividend, if approved by the shareholders, would involve a cash outflow of `1,570.80 Lakhs against `448.80 lakhs dividend in the previous year.

The dividend recommended is in accordance with the Company's Dividend Distribution Policy. As required under the Regulation 43A of the Listing Regulations, the Company has a Policy on Dividend

Distribution. The Dividend Distribution Policy of the Company can be accessed at https://www.elecon.com/views/templates/admin-uploads/Investors/Policies/Dividend-Distribution-Policy.pdf

During the year under review, the unclaimed dividend pertaining to the financial year 2013-14 has been transferred to the Investor Education & Protection Fund.

Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profit for financial year 2021-22 in the statement of profit and loss.

Share Capital

The paid up Equity Share Capital as on 31st March, 2022 was `2,244.00 Lakhs. During the year under review, the Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity.

Borrowings

Non-Convertible Debentures

During the year under review, the Company had made Voluntary Redemption of 12.25% Senior, Secured, Rated, Redeemable Non-convertible Debentures (NCDs) issued on private placement basis and pre-paid `9,285.71 towards principal amount. The said NCDs were also delisted from BSE Limited (the designated exchange where NCDs were listed). Accordingly, all the said NCDs stand extinguished.

Working Capital Borrowings

Continuous monitoring and review of the receivables, inventories and other working capital parameters helped the Company reducing working capital borrowings to `7,425.46 lakhs as at 31st March, 2022 from `8,964.80 lakhs as at 31st March, 2021. Further, the Company is working on effective Supply Chain

Management to optimize overall working capital flow in the Company.

Cash and Cash Equivalent as at 31st March, 2022 was `1,413.14 Lakhs.

There is no instance of one time settlement and valuation while taking loan from banks/financial institutions.

Fixed Deposits

The Company has not accepted fixed deposits and there is no unpaid/unclaimed deposits as on 31st March, 2022.

Particulars of Loans, Guarantees or Investments

The details of Loans given, Guarantees and Securities provided and Investments made by the Company in compliance with the Companies Act, 2013 are given in the notes to the Financial Statements.

Directors & Key Managerial Personnel (KMPs)

Cessation of Tenure of Independent Director

During the year under review, Shri Jal R. Patel (DIN: 00065021), an Independent & Non-Executive Director of the Company had completed the second and final term of his tenure from close of business hours on 31st March, 2022 and consequently he also ceased to be a Director of the Company with effect from 1st April, 2022.

The Board placed on record their appreciation for the assistance and guidance provided by Shri Jal R. Patel during his tenure as Non-Executive Independent Director of the Company.

Director Retire by rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Prashant C. Amin, Director retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

The Board recommends his appointment for your approval.

New Appointment

Shri Ashutosh Pednekar (DIN:00026049), was appointed as a Non-Executive Independent Director of the Company effective from 1st July, 2022 for a period of five years subject to the approval of shareholders at the ensuing 62nd Annual General Meeting of the Company. He is a Practising Chartered Accountant and is a Partner of M. P. Chitale & Co., Chartered Accountants since 1992. M. P. Chitale & Co. is a member of DFK International - a top ten association of accounting firms and business advisors. He was the Chairman of DFK International's Accounting & Assurance Services Committee. He was also involved by ICAI, RBI and IRDAI in various research projects. He is experienced Chartered Accountant with a demonstrated history of working in the financial services and infrastructure industries. His graduation is from Information Systems Audit & Control Association (USA).

In the opinion of the Board, he is well versed in the fields of accountancy, finance, risk management, insurance contracts etc., who brings a wealth of experience and financial acumen to the Elecon's Board and his vast experience in the realm of various fields will be beneficial to the Company. Further, he possesses relevant proficiency which will bring tremendous value to the Board and to the Company. The Board recommends his appointment to the shareholders. The notice convening the 62nd AGM forming part to this annual report sets out the details.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Regulation 16(1) (b) and other applicable regulations of the Listing Regulations, an Independent Director shall hold office for a term of five consecutive years and not be liable to retire by rotation. Accordingly, Shri Ashutosh Pednekar (DIN:00026049) shall be appointed as an Independent Director to hold office for a term of five consecutive years from the date of 1st July, 2022 subject to approval of the shareholders at the ensuing 62nd Annual General Meeting of the Company and shall not be liable to retire by rotation.

Members' approval for his appointment as an Independent Director, under Sections 149 and 152 of the Companies Act, 2013 and under Listing Regulations has been sought in the Notice convening the 62nd Annual General Meeting of the Company.

Evaluation of Board and Senior Management

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. Further, the Nomination & Remuneration Committee has carried out the performance evaluation of Senior Management including the Company Secretary and Chief Financial Officer of the Company. The manner in which the evaluation was carried out has been explained in the Corporate Governance Report which forms part of this report.

Meetings

During the year, five Board Meetings, four Audit Committee Meetings, two Stakeholders Relationship Committee Meetings, one Nomination and

Remuneration Committee Meeting, one Corporate Social Responsibility Committee Meeting, two Risk Management Committee Meetings and one Separate Meeting of Independent Directors were held. During the year, some of the resolutions were also passed by way of Circular Resolutions, the details of which are given in the Corporate Governance Report. The intervening gaps between the Board Meetings were within the period prescribed under the Companies Act, 2013.

Composition of Various Committees

Details of various committees constituted by the Board as per the provisions of Companies Act, 2013 and Listing Regulations and their meetings are given in the Corporate Governance Report which forms part of this report.

Independent Directors

The Independent Directors met on 24th February, 2022 without attendance of Non-Independent Directors and Members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Company has received necessary declarations from each Independent Director under Section 149(7) of the Companies Act, 2013 and under Regulation 16(1)(b) of Listing Regulations, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations.

Familiarization Programme for Independent Directors

In compliance with the requirements of Listing Regulations, the Company has put in place a Familiarization Programme for Independent Directors to familiarize them with the working of the Company, their roles, rights and responsibilities vis-à-vis the Company, the industry in which the company operates, business model etc. alongwith updating on various amendments in the Listing Regulations and the Companies Act, 2013. The policy on Familiarization Programme is uploaded on the website of the Company and can be accessed through web link https://www.elecon.com/views/templates/admin-uploads/Investors/Policies/Details-of-Familiarization-Programmes-for-IDs.pdf

The Company has conducted the familiarization programme for Independent Directors of the Company, details for the same have been disclosed on the Company's website https://www.elecon.com/investors/corporate-information

Nomination and Remuneration Policy

The Board has framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The remuneration policy is stated in the Corporate Governance Report forming part of this Annual Report.

As and when need arises to appoint Director, KMP and Senior Management Personnel, the Nomination and Remuneration Committee (NRC) of the Company will determine the criteria based on the specific requirements. NRC, while recommending candidature to the Board, takes into consideration the qualification, attributes, experience and independence of the candidate. Director(s), KMP(s) and Senior Management Personnel appointment and remuneration will be as per NRC Policy of the Company.

The salient features of the Nomination and Remuneration Policy of the Company has been disclosed in the Corporate Governance Report, which is a part of this report. The said Policy is available on the Company's website on https://www.elecon.com/views/templates/admin-uploads/Investors/Policies/Elecon-The-Nomination-and-Remuenration-Policy-2019.pdf

Disclosures by Directors

None of the Directors of your Company is disqualified as per provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures to this effect as required under Companies Act, 2013.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility

Statement, the Board of Directors, hereby confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a going concern basis; and

(e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Related Party Transactions

All contracts or arrangements with related parties, entered during the financial year were at arm's length basis and in the ordinary course of the Company's business. All such contracts or arrangements were entered into with prior approval of Audit Committee. No material contract or arrangement with related parties was entered into during the year under review. Therefore, there is no requirement to report any transaction in Form No. AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website athttps://www.elecon.com/views/templates/admin-uploads/Investors/Policies/Elecon-Related-Party-Transactions-Policy-2020.pdf None of the Directors or any Key Managerial Personnel has any pecuniary relationships or transactions vis-à-vis the Company.

Auditors

Statutory Auditors

M/s. C N K & Associates, LLP, Chartered Accountants, appointed as a Statutory Auditors of the Company for a period of 5 (five) years i.e. from the conclusion of 61st Annual General Meeting for the Financial Year 2020-21.

The Board has taken note and M/s. C N K & Associates LLP, Chartered Accountants have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder as Statutory Auditors of the Company. As required under Listing Regulations, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Cost Audit records maintained by the Company in respect of its manufacturing activity are required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s. Y. S. Thakar & Co., Cost Auditors to audit the cost accounts of the Company for the financial year ended on 31st March, 2023 on a remuneration of `85,000/- p.a. as required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s. Y. S. Thakar & Co., Cost Auditors is included in the Notice convening the 62nd Annual General Meeting. The Cost Audit Report for the year 2020-21 was filed with the Ministry of Corporate Affairs before the due date of filing.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed CS Ashwin Shah, a Company Secretary in Practice to undertake the Secretarial Audit of the Company for the Financial Year 2021-22. The Report on the Secretarial Audit carried out by him during the Financial Year 2021-22 is annexed herewith as **"Annexure A"**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year 2021-22 for all applicable compliances as per Listing Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report for abovesaid financial year has been submitted to the stock exchanges within 60 days of the end of the said financial year.

Subsidiary, Joint Venture & Associate Companies

As on 31st March, 2022, the Company has 11 Direct & Indirect Subsidiary Companies.

Pursuant to the provisions of Sections 129, 134 and 136 of the Companies Act, 2013 read with rules framed there under and Listing Regulations, your Company had prepared Consolidated Financial Statements of the Company and its Subsidiaries and a separate statement containing salient features of financial statement of Subsidiaries forms part of the Annual Report.

The Annual Financial Statements and related information of the Subsidiary Companies shall be made available for inspection by the shareholders of the Holding and Subsidiary Companies on all working days during business hours for a period of 21 days before the date of the Annual General Meeting and the same will also be placed on the website of your Company. Any member who is interested in obtaining the physical copy of Audited Financial Statements of the Subsidiary Companies may obtain the same by writing to the Company.

Financial Performance – Subsidiary Companies

Radicon Transmission UK Limited (consolidated)

Total Income of the Benzlers Radicon Group has increased by 20% to GBP 30.61 Million in current year compared to 25.60 Million in previous year. EBITDA excluding other income increased to GBP 4.95 Million in current year compared to GBP 2.93 Million in previous year. The Company has made a Profit before Tax for GBP 3.56 Million in Current Year compared to Profit before Tax of GBP 1.38 Million in previous year. The Company has achieved the profitability by cost rationalization coupled with change in strategy of optimization.

Benzlers Group (Consolidated)

It has witnessed an increase in Sales Revenue by 10% to GBP 13.9 Million in current year compared to GBP 12.6 Million in previous year. The Company's EBITDA Margin is GBP 2.17 Million in current year compared to GBP 1.07 Million in previous year. Profit before tax and exceptional income has increased by 160.9% to GBP 1.67 Million compared to 0.64 Million in previous year. The Company has achieved the profitability by cost rationalization coupled with change in strategy of optimization.

Radicon Transmission UK Limited

The Sales Revenue for the year has increased by 14% to GBP 10.15 Million compared to GBP 8.88 Million in previous year. EBITDA Margin has increased to GBP 1.43 Million compared to GBP 1.13 Million in previous year. Profit before Tax is GBP 0.67 Million in current year compared to 0.46 Million in previous year.

Radicon Drive Systems, Inc

It has witnessed an increase in Sales Revenue by 46% to GBP 7.40 Million in current year compared to GBP 5.06 Million in previous year. EBITDA increased with current year at GBP 1.51m, compared with previous year of GBP 0.74m. Generating a Profit before Tax of GBP 0.97 Million in current year compared to GBP 0.28 Million in previous year. The Company has achieved the profitability by cost rationalization coupled with change in strategy of optimization.

Elecon Singapore Pte. Limited

During the year under consideration revenue of Elecon Singapore Pte. Ltd., has decreased from USD 2.85 million FY 2020-21 to USD 2.34 million FY 2021-22. EBITDA has decreased from 0.26 million FY 2020-21 to USD 0.11 million FY 2021-22.

Elecon Middle East FZE, Dubai

During the year, total revenue of Elecon Middle East FZCO has increased by 20.6 %, from AED 22.35 million FY 2020-21 to AED 26.96 million FY 2021-22. Decrease in EBITDA by 0.4% from AED 5.11 million FY 2020-21 to AED 5.09 million FY 2021-22.

Financial Performance - Associate

Eimco Elecon (India) Limited (EEIL)

During the year, EEIL has achieved a Turnover of `8,444.37 Lakhs as against `12,613.10 Lakhs in the previous year. For the year ended on 31st March, 2022, EEIL has achieved Earnings Before Interest (Finance Cost), Depreciation & Amortization and Tax (EBIDTA) including other income of `1,839.85 Lakhs as against the EBIDTA of `2,219.54 Lakhs during the previous year.

Vigil Mechanism / Whistle Blower Policy

The Company has in place a Vigil Mechanism/Whistle Blower Policy for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Mechanism provides for adequate safeguards against victimization of Director(s) and Employee(s) who avail the mechanism.

The Vigil Mechanism/Whistle Blower Policy is available on Company's website at https://www.elecon.com/views/templates/admin-uploads/Investors/whistle-blower-policy/Elecon-Whistle-Blower-Policy-2019.pdf

Corporate Governance

Pursuant to Regulation 34(3) read with Schedule V of the Listing Regulations, separate reports on Management Discussion & Analysis and Corporate Governance together with a certificate from the Practicing Company Secretary form part of this Report.

Your Company is committed to maintain the highest standards of Corporate Governance, reinforcing the valuable relationship between the Company and its Stakeholders.

Corporate Social Responsibility (CSR) Initiatives

The Ministry of Corporate Affairs has amended the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. In accordance with the provisions of Section 135 of the Companies Act, 2013 and the said Rules, your Company has amended it's policy on the recommendation of the Members of the CSR Committee and with the approval of the Board. The amended CSR policy may be accessed on the Company's Website at the https://www.elecon.com/views/templates/admin-uploads/Investors/Policies/Elecon-Corporate-Social-Responsibility-Policy-may-2021.pdf The Composition of the Committee and other details are provided in Corporate Governance Report.

The Company implements various CSR activities directly and / or through the implementing agencies and the activities undertaken by the Company are in accordance with Schedule VII of the Companies Act, 2013. The report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments thereto, is given in **"Annexure B"**, forming part of this report.

Board Diversity

The Company recognizes and embraces the importance of a diverse board in its success. The Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help the Company to retain its competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The policy is available on our website at https://www.elecon.com/views/templates/admin-uploads/Investors/Policies/Board-Diversity.pdf

Significant and Material Orders passed by the Regulators or Courts

There are no significant material orders passed by the Regulators / Courts/ Tribunals which would impact the going concern status of the Company and its future operations. There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

Material Changes and Commitments

There are no material changes and commitments, affecting the financial performance of the Company that occurred during the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

Reporting of Frauds

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee, Board and/or Central Government under Section 143(12) of the Companies Act, 2013 and Rules framed thereunder.

Risk Management

Being one of the top 1000 Listed Company, the Company has implemented Risk Management System. The Board of the Company has constituted a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The said committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the areas of financial risks and controls. The details pertaining to the composition of the Risk Management Committee are included in the Corporate Governance Report, which is a part of this report.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **"Annexure C"**.

Particulars of Employees

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report **"Annexure D"**.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report. The Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may send their email to investor.relations@elecon.com.

Prevention of Sexual Harassment at Workplace

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. As required under law, an Internal Complaints Committee (ICC) has been constituted for reporting and conducting inquiry into the complaints made by the victim on the harassment at the work place. During the year under review, there were no complaints pertaining to sexual harassment.

The policy on Sexual Harassment at Workplace is placed on the Company's website at https://www.elecon.com/views/templates/admin-uploads/Investors/Policies/Elecon-Sexual-Harassment-Policy.pdf

Material Subsidiaries

The Board of Directors of the Company has approved a Policy for determining material subsidiaries which is in line with the Listing Regulations as amended from time to time. The policy is available on our website at https://www.elecon.com/views/templates/admin-uploads/Investors/Policies/Elecon-Policy-on-Determining-Material-Subsidiary-2020.pdf

The company does not have material subsidiary company.

Annual Return

The annual return of the Company as on 31st March, 2022 in the prescribed format is available on the Company's website. The web-link is as under:

https://www.elecon.com/views/templates/admin-uploads/Investors/Corporate-Announcements/2021-2022/1-DRAFT-Form_MGT_7.pdf

Business Responsibility Report

Being one of the top 1000 Listed Company, we have integrated the Business Responsibility Report (BRR) disclosures into our Annual Report as **"Annexure E"** describing the initiatives taken by the Company from an environmental, social and governance perspective.

Compliance of Secretarial Standards

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

Insurance

The Company takes a very pragmatic approach towards insurance. Adequate cover has been taken for all movable and immovable assets for various types of risks.

A fire incidence took place at one of the machines situated at one of the factory sheds of the Company located at its Registered Office & Works situated at Anand-Sojitra Road, Vallabh Vidyanagar, Gujarat - 388 001 on 14th April, 2022. Fire was controlled within time and fortunately, there were no casualty and injury to life. The estimated loss of `3.00 Crores against this fire incidence, is subject to claim settlement under the Insurance Policy.

Industrial Relations/Personnel

Your Company is committed to upholding its excellent reputation in the field of Industrial relations. Through continuous efforts, the Company invests and improvises development programmes for its employees.

Acknowledgement

Your Directors are highly grateful for the unstinted guidance, support and assistance received from the Government and Financial Institutions. Your Directors are thankful to all valuable Stakeholders of the Company viz. shareholders, customers, dealers, vendors, suppliers and business associates for their faith, trust and confidence reposed in the Company.

Your Directors wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees to ensure that the Company continues to grow and excel.

For and on behalf of Board of Directors,

Prayasvin B. Patel

Chairman & Managing Director

DIN: 00037394

Place: Vallabh Vidyanagar

Date : 3rd May, 2022

Management Discussion & Analysis

Global Economy and India

Global economy growth is estimated to have increased by 6.1% in 2021 despite worsening impact of supply chain issues and surge in pandemic due to new variants. Manufacturing and trade rebounded at a fast pace due to revival in demand and improved consumer and business sentiment. Robust recovery in 2021 was mainly driven by strong consumer spending and increase in investment. However, pandemic outbreaks led to supply chain disruptions which along with rapid recovery in demand resulted in increase in inflation globally. As such, central banks across the globe are pivoting towards policy tightening to rein in inflation and at the same time strike a balance so as to not threaten the ongoing economic recovery.

According to IMF, global growth is projected to decelerate to 3.6% in 2022 as the initial rebound in consumption and investment fades on the back of diminished fiscal support, ongoing geopolitical tension between Russia and Ukraine, inflationary pressure, and lingering supply bottlenecks. Supply chain disruptions along with higher commodity and energy prices could lead to elevated inflation for a longer period and could act as major headwinds to growth prospects. The US Federal Reserve has announced rate hikes this year to tame inflation and other policymakers across the globe face pressure to tighten policy rates. Nevertheless, global economy remains on track for strong but uneven growth due to variation in pandemic-induced disruptions and the extent of policy support.

The Indian economy grew by 8.9% in FY22 led by growth in the industrial and services sector. The economy gained momentum during the second quarter of the fiscal as the pandemic induced disruption eased significantly. Manufacturing activity picked up and trade growth rebounded strongly as states eased localised restrictions. Several high frequency indicators like E-way bills, rail freight, port traffic, GST collections and power consumption demonstrated a V-shaped recovery. However, consumption demand picked up at a slower pace due to pandemic's lingering impact on household incomes, spending capacity, and lending. The government announced significant increase in capital expenditure in the union budget to reinvigorate infrastructure development and revive the economy. This is expected to boost private investment and consumption.

According to IMF, the Indian economy is expected to grow by 8.2% in FY23 led by increased infrastructure expenditure and boost in manufacturing activity through Production-Linked Incentive (PLI) schemes and revival in overall demand. The recovery in economic activity is expected to gain strength as both manufacturing and services remain in expansion mode on the back of uptick in consumer and business confidence. Recovery in mobility indicators, robust goods and service tax (GST) collection, increased toll collections and e-way bill generations signal towards meaningful revival. Moreover, upbeat farm sector and increase in manufacturing activity bodes well for the economy. However, rising inflation on the back of supply bottlenecks and increasing fuel prices could act as dampener to growth. Sustained foreign direct investment, large foreign exchange reserves, and rising export earnings will help the Indian economy to sustain growth in the policy tightening phase. Moreover, the rapid vaccination drive across the country will ensure that the risk of future wave is minimised.

The Engineering Sector and Gears

The Indian Engineering sector is of strategic importance for the growth of the economy as it drives the growth of core sectors of the economy. The technology intensity of India's engineering export portfolio has largely been skewed towards low- and medium-technology intensive engineering goods. However, riding on the back of reforms and incentives announced by the government for the sector, domestic players have started focusing on improving their capabilities, enhancing quality of offerings, and investing in upgradation of technology to become globally competitive while retaining cost leadership. Engineering goods exports ended the fiscal year on a positive note despite challenges such as supply chain disruption and higher freight rates and input costs. Capacity creation in sectors such as infrastructure, power, mining, oil & gas, refinery, and consumer durables are driving demand in the engineering sector.

Favourable measures such as Production Linked Incentive (PLI) along with increased capex outlay announced in the recent union budget to spur economic growth bodes well for the sector. Increased government expenditure is likely to propel private capex in construction and manufacturing industries such as automobiles, metals, engineering, etc. Moreover, rising exports demand would also lead to capacity expansion. However, the industry needs to continue investing in upgrading technology to seize the huge opportunities and government should support the industry through announcement of favourable policies to improve the ease of doing business and help the industry to compete at a global level.

Global industrial gearbox market is expected to witness robust growth on the back of resurgence of investments in the oil and gas sector and growing adoption of industrial automation in the manufacturing industries. Increasing investments in the end-user industries such as material handling, wind power, construction, and metal and mining sectors is likely to propel growth in the industrial gearbox market. Additionally, the implementation of stringent government regulations for controlling noise pollution and reducing power overload across industrial units is further augmenting the installation of industrial gearboxes. Introduction of favourable government policies and financial incentives for clean energy sources has also boosted the market for industrial gearboxes. Emergence of advanced technologies, such as artificial intelligence and robotics will continue to drive the global market for industrial gearboxes.

Elecon Engineering - Company Review

Fiscal 2021-22 witnessed strong performance despite negative impact of second wave of the Covid-19 pandemic. Healthy order intake in the Gears business on the back of favourable demand environment led to strong performance in the division. The Material Handling business saw significant improvement in performance due to focus on profitable product business. Efforts were taken towards completing the punch list item being part of the COD process to hand over legacy projects. One of the key focus areas of the management has been in terms of debt reduction which resulted in the decline in interest cost.

The Company's gear business witnessed strong performance on the back of healthy order inflows and favourable product mix and also due to increased focus towards increasing penetration in the international markets. The Company took various initiatives to reduce logistics cost in exports. During the fiscal, the Company's order book in Gear business stood at `41,001 lakhs with power, steel, cement, sugar, mining, and fertilizer contributing most to it. The performance in the MHE business was heartening owing to focus on profitable product business. During earlier years, arbitration award worth `6300+ lakhs was granted in company's favour and while counterparties are pursuing appeal proceedings, Elecon is confident of recovering the same. The Company continued to identify new growth avenues to augment capacity utilization. At the end of fiscal, the Company's order book in MHE business stood at `12,713 Lakhs.

All the overseas entities have now turned profitable owing to the ongoing strategic initiatives, and the Company is working towards further improving its market reach in USA, Canada and Latin America where it is witnessing positive momentum in the order intake and revenue. Going forward, Elecon will continue to focus on strategies to create long term value for shareholders. In this regard, the

Company will target to becoming net debt free at the consolidated levels by FY23 and will focus on working capital optimization & cost control, debottlenecking and ensuring better utilization of available capacity.

The Company is confident that streamlining of existing operations along with reduction in debt is likely to lead in improvement in EBITDA margins and overall profitability. Moreover, the proposed increase in government capital expenditure announced in the recent budget augurs well for the industry and is likely to result in sustainable growth for the sector in the coming years.

Segment Wise Revenue - Gear Business

During fiscal 2022, the power business contributed close to 15% in the overall business. India is one of the leaders in global energy production and consumption, next only to China and the US. Rapid industrialization and urbanization along with favourable government policies have accelerated capacity addition in the country. In recent times, there has been a visible increase in the deployment of clean renewables and grid-connected distributed generation. In the recently announced budget, government laid out its vision of promoting clean energy transition and climate action and increased funding under the production linked investment (PLI) scheme for domestic solar cells and module manufacturing to `24,000 crore from the existing `4,500 crore in order to facilitate domestic manufacturing for the ambitious goal of 280 GW of installed solar capacity by 2030. The government set a target of installing 500 gigawatts (GW) of non-fossil energy capacity by 2030. All these development augurs well for Elecon's business in power generation, distribution, transmission, and equipment.

India is the second-largest producer of cement in the world, accounting for more than 7% of the global installed capacity. Spurt in demand from sectors such as housing, construction, and infrastructure has led to increase in cement consumption. The ambitious upgrade of infrastructure spanning roads, railways, ports, airports, mass transport, waterways, and logistics sector under the framework of PM GatiShakti was announced in the budget. Under the plan, government aims to expand the national highways network by 25,000 kilometres in the upcoming fiscal which is part of the ambitious `100 trillion plan for multi-modal connectivity. Railways will also develop 100 PM GatiShakti cargo terminals for multi-modal logistics facilities. Moreover, under PM Awas Yojana, `48,000 crore has been allotted to provide pucca houses to every urban household. As such, the increasing focus on upgrading infrastructure combined with push for affordable housing by the government bodes well for the growth of the cement industry.

Steel industry has been the pillar of India's rapid infrastructure development. The government's focus on infrastructure and construction has led to robust demand for steel over the years. Rapidly developing automobile and railways sector along with government's initiatives on housing (Housing for All), roads (Bharatmala), ports (Sagarmala), railway (dedicated freight corridors, metros and bullet trains), and airports (Udaan) will continue to drive the growth of the industry. Strong capital expenditure announced in the budget coupled with renewed focus on the affordable housing segment is positive for the industry. The Centre's PM GatiShakti scheme announced with an aim to accelerate infrastructure development and logistics across India will provide major boost to steel industries.

Shipping plays a critical role in supporting the country's trade and commerce. India has 13 Major Ports and about 200 Minor Ports and almost 95% of the country's trade by volume and 68% by value is moved through maritime transport. Over the last few year, the government has undertaken several initiatives to make the Indian maritime sector "atmanirbhar" which has resulted in development of ports, improvement in port infrastructure and expansion of shipping connectivity. Recently, the government has come out with Maritime India Vision 2030 blueprint which envisages coordinated and accelerated growth of the country's maritime sector over the decade and seeks to develop three world-class mega ports of greater than 300 MTPA cargo handling capacity, increasing trans-shipment cargo share from 25% to 75%, increase share of cargo handled at major ports and ensure infrastructure modernisation. The increasing investment and cargo traffic points towards a healthy outlook for the Indian port sector. With adequate policy support and a growth in external trade, India's shipping industry has immense potential to scale new heights and support India's economic growth.

The government has taken various measures for the sugar industry such as increasing fair and remunerative price, increasing minimum support price, and promoting efficient ways of fuel production. Moreover, favourable pricing environments domestically and globally would encourage export prospects and along with higher expected sugar diversion towards ethanol would help in reducing the existing excess stock levels which is a major positive for the sector. Also, growing disposable income along with urbanisation will translate to higher demand for sugar-rich confectionery products and soft drinks which in turn will drive per capita consumption of sugar. All these points towards a bright future for the industry.

Financial Performance

It can be referred in the Board's Report under heading "Performance of the Company," in this Annual Report.

Financial Ratios

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

Particulars	Standalone		Consolidated	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Debtors Turnover Ratio*	2.09	1.55	2.61	1.87
Inventory Turnover Ratio*	4.96	3.94	4.70	3.75
Interest Coverage Ratio*	5.88	2.25	6.43	2.52
Current Ratio	1.47	1.29	1.64	1.35
Debt Equity Ratio*	0.13	0.31	0.14	0.36
Operating Profit Margin	20.83	18.06	20.60	17.95
Net Profit Margin (%)*	10.80	4.56	11.67	5.52
Return on Net Worth(%)*	10.55	4.44	13.58	6.39

*There is a change of more than 25% in Debtors Turnover Ratio, Inventory Turnover Ratio, Interest Coverage Ratio, Debt-Equity Ratio, Net Profit Margin and Return on Net Worth. Such change in Debtors Turnover Ratio, Inventory Turnover Ratio and Debt-Equity Ratio is mainly due to higher efficiency on Working capital improvement. Such change in Interest Coverage Ratio is mainly due to reduction in finance Cost and debt. Such change in Net Profit Margin and Return on Net Worth are mainly due to Increased Turnover and reduced cost.

Risk and Concerns

The Company could be susceptible to strategy, innovation, and business or product portfolio related risks if there is any significant and unfavourable shift in industry trends, customer preferences, or returns on R&D investments. Elecon does have the benefit of being very well entrenched with many of its customers, involved in their critical and strategic initiatives. Therefore, client concentration related risks are mitigated to an extent.

Risks emanating from changes in the global markets such as the recent financial meltdown, regulatory or political changes, and alterations in the competitive landscape could affect the Company's operations and outlook. Any adverse movements in economic cycles in the Company's target markets and volatility in foreign currency exchange rates could have a negative impact on the Company's performance. This risk is mitigated to some extent due to the Company's presence in multiple and diverse markets. The Company also takes necessary steps such as forex hedging to mitigate exchange rate risks.

Elecon operates in a highly competitive industry, replete with multiple competitors, in both India and abroad. Shifts in clients' and prospective clients' dispositions could affect its business. While the Company has strong domain expertise, robust delivery capabilities, and significant project experience, there is no guarantee that it will always get the better of competition.

The Company's operating performance is subject to risks associated with factors that may be beyond its control, such as the termination or modification of contracts and non-fulfilment of contractual obligations by clients due to their own financial difficulties or changed priorities or other reasons. Elecon does have mechanism in place to try and prevent such situations, as well as taking insurance cover as necessary.

Internal Controls System

The Company has mechanisms in place to establish and maintain adequate internal controls over all operational and financial functions. The Company intends to undertake further measures as necessary in line with its intent to adhere to procedures, guidelines and regulations as applicable in a transparent manner.

Internal Controls are continuously evaluated by the Internal Auditors and Management. Findings from internal audits are reviewed by the Management and the Audit Committee. The corrective actions and controls have been put in place wherever necessary. Scope of work of Internal Auditors covers review of controls on accounting, statutory and other compliances and operational areas in addition to reviews relating to efficiency and economy in operations.

Development in Human Resources/Industrial front

The Company has a strong committed work force nurtured and backed up by its professional culture coupled with innovative HR process aimed at strategic alignment with the business objectives. It has been the tradition of the Company to maintain excellent industrial relations at all levels. This has ensured that we have a committed and dedicated workforce with a high level of enthusiasm.

The number of employees as on 31st March, 2022 was 565 as against 619 as on 31st March, 2021.

Outlook

The Indian economy is expected to rebound and The Indian economy is expected to grow by 8.2% in FY23 on the back of growth momentum in the manufacturing, agriculture and services sector supported by policy reforms and easing of regulations. However, supply chain constraints and higher energy prices on the back of geopolitical tensions could curtail growth and stoke inflationary pressures leading to tightening of liquidity measures. Nevertheless, government has shown its intent to support economic growth by announcing higher outlay for capital expenditure in the budget and simultaneously created a conducive environment for private capex. As such, the prospects for the Company remains bright due to growth momentum in core sectors such as power, steel, cement, and mining.

ANNEXURE - A TO BOARD'S REPORT

SECRETARIAL AUDIT REPORT FORM NO. MR-3 FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

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,
ELECON ENGINEERING COMPANY LIMITED
Vallabh Vidyanagar - 388 120.

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

Based on my verification of the Elecon Engineering Company Limited'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 during the pandemic of COVID 19 situation across the country, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the Company during the Audit Period);

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the Audit Period);

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit Period);

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

   h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and

   i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);

vi. Following other laws as applicable to the Company

   a. Factories Act, 1948

   b. Payment of Wages Act, 1936, and rules made thereunder,

   c. The Minimum Wages Act, 1948, and rules made thereunder,

   d. Employees' State Insurance Act, 1948, and rules made thereunder,

   e. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,

   f. The Payment of Bonus Act, 1965, and rules made thereunder,

g. Payment of Gratuity Act, 1972, and rules made thereunder,
h. The Contract Labour (Regulation) and Abolition Act, 1970
i. The Maternity Benefit Act, 1961
j. The Child Labour Prohibition and Regulation Act, 1986
k. The Industrial Employment (Standing Order) 1946
l. The Employees Compensation Act, 1923
m. The Apprentice Act, 1961
n. Equal Remuneration Act, 1976
o. The Environment (Protection) Act, 1986
p. The Water (Prevention & Control of Pollution) Act, 1974, read with water (Prevention & Control of Pollution) Rules, 1975,
q. Industrial Dispute Act, 1947
r. Sexual Harassment of Women at workplace Act, 2013

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.
ii. The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to late filing of certain e-forms.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

I further report that during the audit period, the Company has:

1. Passed the Special Resolution for Continuation of Directorship of Shri Pradip M. Patel (DIN: 00012138), who retires by rotation, on attaining the age of Seventy-five (75) years on 5th November, 2022.

Place : Ahmedabad
Date : 3rd May, 2022
UDIN : F001640D000255366

CS Ashwin Shah
Company Secretary
C. P. No. 1640
Quality Reviewed 2021
PRC:1930/2022

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,
Elecon Engineering Company Limited
Vallabh Vidyanagar - 388 120.

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Ahmedabad
Date : 3rd May, 2022
UDIN : F001640D000255366

CS Ashwin Shah
Company Secretary
C. P. No. 1640
Quality Reviewed 2021
PRC:1930/2022

ANNEXURE - B TO BOARD’S REPORT
CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

FORMAT FOR CSR ACTIVITIES INCLUDED IN THE BOARD’S REPORT FOR FINANCIAL YEAR ENDED 31ST MARCH, 2022

1. A brief outline of the Company’s CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

   The Company’s CSR Policy is in adherence to the provisions of Section 135 of the Act read with rules framed thereunder and provides for carrying out CSR activities in the area of Education, Healthcare including preventive healthcare, etc. either directly by the Company or through ‘Non-Profit Organisations’, viz. B. I. Patel Charitable Trust, I. B. Patel Charitable Trust and others or by way of contribution to Central / State Government Relief Funds.

2. Composition of the CSR Committee:

Sl. No.	Name of Directors	Designation / Nature of Directorship	Number of meeting(s) of CSR Committee held during the year	Number of meeting(s) of CSR Committee attended during the year
1.	Dr. Sonal V. Ambani	Chairperson, Independent & Non-Executive Director	1	1
2.	Shri Prayasvin B. Patel	Member, Non-Independent & Executive Director	1	1
3.	Shri Prashant C. Amin	Member, Non-Independent & Non-Executive Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

   Composition of the CSR committee shared above and is available on the Company’s website on : **https:/www.elecon.com/about-us/board-committees**.

   CSR policy - **https:/www.elecon.com/views/templates/admin-uploads/Investors/Policies/Elecon-Corporate-Social-Responsibility-Policy-may-2021.pdf**.

   CSR projects – Not applicable

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, if applicable (attach the report). **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 - **Not Applicable**

6. Average net profit of the company as per Section 135(5) : ` **2,776.79 Lakhs**

7. (a) Two percent of average net profit of the Company as per Section 135(5): ` **55.54 Lakhs**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. **Not Applicable**

   (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). : ` **55.54 Lakhs**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (` in Lakhs)	Amount Unspent (in `)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
56.92	NIL	-	-	NIL	-

(b) Details of CSR amount spent against **ongoing projects** for the financial year: **Nil**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in `).	Amount spent in the current financial Year (in `).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in `).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	Dist.						Name	CSR Registration number.
	Total	NIL										

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (` in Lakhs).	Mode of implementation - Direct (Yes/No).	Mode of implementation -Through implementing agency.	
				State.	Dist.			Name	CSR Registration number.
1.	Education	Promoting Education	Yes	Gujarat	Anand	9.625	No	B. I. Patel Charitable Trust	CSR00004791
2.	Education	Promoting Education	Yes	Madhya Pradesh	Indore	11.440	No	B. I. Patel Charitable Trust	CSR00004791
3.	Medical Help	Promoting health care including preventive health care	Yes	Gujarat	Anand	35.850	No	B.I. Patel Charitable Trust	CSR00004791
	Total					**56.915**			

(d) Amount spent in Administrative Overheads: **NIL**

(e) Amount spent on Impact Assessment, if applicable: **NIL**

(f) Total amount spent for the financial year (8b+8c+8d+8e): ` **56.92 Lakhs**

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

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

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 `).	Amount spent in the reporting Financial Year (in `).	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in `)
				Name of the Fund	Amount (in `).	Date of transfer.	
1.	2017-2018	* N.A.	21.03	NIL	NIL	NIL	NIL
2.	2018-2019	# N.A.	#N.A.	N.A.	N.A.	N.A.	N.A.
3.	2019-2020	* N.A.	51.70	NIL	NIL	NIL	NIL
	Total		**72.73**				

* Since the provisions of Section 135(6) of the Act are effective from 22nd January, 2021, it is not applicable. However, during the year under review, the Company has spent the entire unspent amount of ` 72.73 Lakhs of earlier years (i.e. ` 21.03 Lakhs and ` 51.70 Lakhs for FY 2017-18 and 2019-20 respectively) towards CSR Activities.

#The Company had spent the entire amount of CSR obligation for financial year 2018-19.

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

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 `).	Amount spent on the project in the reportig Financial Year (in `).	Cumulative amount spent at the end of reportig Financial Year. (in `).	Status of the project - Completed/ Ongoing.
NIL								

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:- **NIL**

(asset-wise details).

A. Date of creation or acquisition of the capital asset(s).

B. Amount of CSR spent for creation or acquisition of capital asset.

C. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

D. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

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

For and on behalf of the Board of Directors,

Prayasvin B. Patel
Chairman & Managing Director
DIN : 00037394

Sonal V. Ambani
Chairperson of CSR Committee
DIN : 02404841

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

ANNEXURE – C TO BOARD'S REPORT

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.

1. CONSERVATION OF ENERGY

(a) **Energy Conservation measures taken**

- Continuous efforts towards energy conservation by adopting new technology with more focus on improvement and process, through improved maintenance practices like Time Base Maintenance and Analysis through Short interval control etc.
- The power saving by use of LED lights for work lights of machines, overhead light in workshops as well as office lighting in the Company. Till Date we have replaced 1144 nos. of old lighting fixtures to LED Lightings, this includes workshop highbay street lighting, area lighting and office lighting. Total connected load for lighting was reduced from 404 KW to 209 KW. Moreover, the Company is reducing equivalent CO2 emission. This way the Company contributes to green environment.
- The Company proudly declares completion of 2.7 MWP solar roof top plant installation at the Company in January, 2022, which will generate annually approxi. 30 lakhs KWH.
- Reduce the use of Compressor air by reducing over usages, idling of compressors, synchronizing, arresting air leakages, replacement of aluminum air pipe lines etc. Upgrade existing air compressor from conventional starter to VFD to save energy and longer life of compressors. The Company is of the view that it will be converted into the saving of 54,000 units.
- Replacement of old pumps with the motors, which was repaired number of times and was run at lower efficiency.
- Continuous monitoring and reconditioning of PFC panel leads to PF unity which saves energy bill as well as active power usage.
- Start to use Inverter type air conditioner units to achieve the goal of energy conservation. Till date, we have installed inverter based ACs of around 140 TR. cooling capacity collectively. In addition, the Company has installed temperature controller circuit in various office areas the air conditioners which saved 25,700 KWH.
- Paralleling of transformers done which reduces usages of diesel generator set at the time of peak load.
- Regeneration of power introduced at testing facility of navy gear box. During testing of S2-721, S1-724 and marine gear box; different tests were conducted like load test, thermal test and endurance test for 159 Hrs. This test saved 69,000 KWH.
- The Company has started to use nailless wooden box in its packaging which consumes less time for packaging, having reduced weight and less transportation cost. No banding, nailing, stapling or adhesives required for repeated usage. It reduces the consumption of natural wood and leads towards the green environment.

(b) **Additional investments and proposal if any, being implemented for reduction of consumption of energy.**

Continuous measures are being adapted in the Company for energy conservation. Usage of more LED lights for future requirement has been planned. Efforts are being taken to explore each and every possibility of further reduction in energy consumption.

Initial cost of LED fitting would be at least 1.5 times high than conventional fittings, however later date it would be cheaper solution as energy consumption will be half resulting into the reduction of global warming. Maintenance Spare like control gear, lamps etc. would be eliminated as well as it provides green nature.

For gear box testing purpose, we are going to use re-generative loading system instead of conventional dynamo torque applier. This will save approximately 70% of energy during testing.

The Company is planning to install solar power ground mounted of 2.00 MWP capacity in the financial year 2022-23. It will generate electricity (Green Energy) approxi. 30 lakhs KWH annually.

The Company is also planning to install the windmill having capacity of 2.00 MW in the financial year 2022-23. It will generate electricity (Green Energy) of approxi. 35 lakhs KWH annually.

(c) **Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.**

Significant reductions in consumption of energy and production cost of goods be observed by the implementation of above referred measures. Implementation of above referred measures has resulted in increased facility reliability as well as improved equipment performance without any cost.

2. TECHNOLOGY ABSORPTION

(I) Research and Development

➢ **Specific Area in which R & D carried out by the Company & Benefits derived as a result of R & D :**

The Company has In house Research and Development facility approved by Department of Scientific and Industrial Research, through which R&D activities are carried out. Following are some of the R & D activities carried out and the benefits derived as a result:

- Vertical roller mill gearboxes developed up to power range 5.6 MW.
- Development of standard planetary series with Output Torque capacity up to 8000 KNm is completed.
- New worm gearbox models introduced for bottling plant application.
- Modified Worm Series is developed.
- Standardization of steel mill Pinion stand gearboxes.
- Developed standard package for Condition monitoring system.

➢ **Future plan of action:**

Action plan for future is summarized below:

- Rationalization of Standard Planetary Series.
- Highly flexible coupling.
- Standard Marine Gearbox development
- Optimization of Helical & Bevel-Helical Gearbox series.

➢ **Expenditure on R & D:**

In pursuit of R & D endeavors the Company is continuously incurring R & D expenditure which has been separately reflected in the financial statements. The total R & D expenditure incurred during the financial year 2021-22 is as under:

	(` in Lakhs)
Capital Expenditure	--
Revenue Expenditure	245.70
Total	**245.70**

(II) Technology absorption, adaptation & innovation, measures take and benefits derived there from

- Bevel-worm gearbox developed for tunnel gate operation.
- Double worm threaded gearwheel developed.
- 20” CRS single & double reduction gearbox developed.
- Worm gearboxes developed for thread milling application.
- Large Banbury mixer drive designed for 2x1250 KW power capacity for rubber Industries
- Large rolling mill pinion stand application for 372 KW power capacity for export market developed.
- Large Ladle tilt drive gearbox developed for 389.26 kW power capacity for export market.
- Mill duty gearbox with four output shaft having power capacity 1425 KW developed.

3. FOREIGN EXCHANGE DETAILS

(` in Lakhs)

Particulars	2021-22	2020-21
Earnings	**8,117.96**	10,576.84
Outgo	**11,028.89**	13,422.54

ANNEXURE - D TO BOARD'S REPORT

Information pursuant to Section 197 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 Directors and KMPs	Designation	% Increase in Remuneration in FY 2021-22	Ratio of Remuneration to Median Remuneration of Employees
A.	**Directors**			
1.	Shri Prayasvin B. Patel	Chairman & Managing Director	94.09*	101.89
2.	Shri Prashant C. Amin	Non-Independent Non-Executive Director	22.41	1.45
3.	Shri Pradip M. Patel	Non-Independent Non-Executive Director	19.35	1.65
4.	Shri Pranav C. Amin	Independent Non-Executive Director	#	#
5.	Shri Jal R. Patel	Independent Non-Executive Director	20.80	1.67
6.	Shri Jai Diwanji	Independent Non-Executive Director	22.25	1.69
7.	Dr. Sonal V. Ambani	Independent Non-Executive Director	22.29	1.66
B.	**Key Managerial Personnel :-**			
1	Shri Narasimhan Raghunathan	Chief Financial Officer	17.12	7.09
2	Smt. Bharti Isarani	Company Secretary	11.47	2.77

* The Commision payable of ` 3.00 Crores is included in the remuneration of Shri Prayasvin Patel in financial year 2021-22 (Nil for financial year 2020-21).

#Shri Pranav Amin was appointed as an Independent Director w.e.f. 27th May, 2021. Hence, in all such matters; the current year's remuneration is not comparable.

(i) The median remuneration of employees of the Company during the financial year was ` 5.97 Lakhs. There was an increase of 9.74 % in the median remuneration of employees.

(ii) There were 565 permanent employees on the rolls of Company as on 31st March, 2022.

(iii) There was an increase of 11.26% in average percentage salaries of employees (other than the managerial personnel) in the financial year 2021-22, whereas the managerial personnel remuneration for the same financial year was increased to 42.13%. Change in Managerial Personnel Remuneration is mainly due to completion of term of Shri Prashant Amin in financial year 2020-21 as an Executive Director (Managerial Personnel) and inclusive of commission payment in the remuneration of Shri Prayasvin Patel in financial year 2021-22.

(iv) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

(v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees of the Company.

ANNEXURE - E TO BOARD'S REPORT

Business Responsibility Report

The Business Responsibility Report of the Company for the financial year ended on 31st March, 2022, pursuant to Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L29100GJ1960PLC001082
2.	Name of the Company	ELECON ENGINEERING COMPANY LIMITED
3.	Registered address	Anand-Sojitra Road, Vallabh Vidyanagar 388 120, Dist. Anand, Gujarat.
4.	Website	www.elecon.com
5.	E-mail id	investor.relations@elecon.com
6.	Financial Year reported	1st April, 2021 – 31st March, 2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise) as per the National Industrial Classification codes of 2008.	**Description** — **Industrial Group** Gears (Reduction Gears): 84834000 Bulk Material Handling Equipment: 84289010
8.	Key products / services:	
	Businesses	**Products / Services**
	Transmission equipment	Manufacturing of transmission equipment like gearboxes, couplings and elevator traction machines.
	Material handling equipment	Manufacturing of material handling equipment like raw material handling systems, stackers, reclaimers, bagging & weighing machines, wagon & truck loaders, crushers, wagon tipplers, feeders and port equipment. It is also engaged in executing projects on these material handling equipment & systems.
9.	Locations where business activities undertaken by the Company:	
	a) Number of International Locations	The Company has 100% owned overseas subsidiaries in United Kingdom, Singapore and Middle East. Details of step down subsidiaries and joint ventures are provided in Form No. AOC-1 in this Annual Report.
	b) Number of National Location	The Company has manufacturing units at Vallabh Vidyanagar, Gujarat. It has various marketing branches in all over India.
10.	Markets served by the Company - Local/State/ National/ International	Our products are sold in both National and International market.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	` 2,244.00 lakhs
2.	Total Turnover	` 88,442.47 lakhs
3.	Total profit after taxes	` 9,551.78 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.36 %
5.	List of activities in which expenditure in 4 above has been incurred: -	Our CSR programmes cover the following areas: • Promoting Education • Promoting health care including preventive health care

SECTION C : OTHER DETAILS

1.	Does the Company have any Subsidiary Company/Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3.	Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities. [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

Sr. No.	Particulars	Details
1.	DIN Number (If applicable)	00037394
2.	Name	Prayasvin B. Patel
3.	Designation	Chairman & Managing Director
4.	Telephone Number	+91 2692 238701
5.	Email ID	investor.relations@elecon.com

2. **Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

Name of principles:

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle
P3 - Businesses should promote the well-being of all employees
P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
P5 - Businesses should respect and promote human rights
P6 - Businesses should respect, protect, and make efforts to restore the environment
P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8 - Businesses should support inclusive growth and equitable development
P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.*	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Has it been signed by MD/ Owner/ CEO/ Appropriate Board Director?	All the Policies are signed by Shri Prayasvin B. Patel, Chairman & Managing Director								
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	#	#	#	#	#	#	#	#	#
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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?	Y	Y	Y	Y	Y	Y	Y	Y	Y

*The BR policy of the Company is formulated on the basis of the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by the Ministry of Corporate Affairs, Government of India.

https:/www.elecon.com

2a. If answer to Sr. No. 1 against any principle is 'No', provide explanation:

Not applicable.

3. Governance related to BR:

a. *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.*

Annually.

b. *Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?*

The Business Responsibility Report is part of the Annual Report. The Company's Business Responsibility Report for the financial year 2021-22 is available on: **https:/www.elecon.com/investors/financial-reports**.

SECTION E : PRINCIPLE-WISE PERFORMANCE

Principle 1 : Ethics, transparency and accountability

1. *Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to groups, joint ventures, suppliers, contractors, NGOs and others?*

No. The Policy relating to ethics, bribery and corruption covers the entire Elecon Group.

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

The Company received complaints from 18 shareholders during the year 2021-22. There were no complaints pending from the shareholders at the beginning of the year 2021-22. All 18 complaints (100%) received during the year were redressed satisfactorily.

There is no any complaint from other stakeholders of the Company.

Principle 2: Safe and sustainable goods and services

1. *List up to 3 of the Company's products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.*

It had been a continuous endeavour for Elecon design team to excel in the field of transmission drive systems. With the latest technological approach & manufacturing excellence Elecon is designing gearboxes with higher & higher efficiency, thus reducing the loss of power in actual applications. Lesser power loses mean lesser heat generation & lesser cooling requirement and lesser usage of water.

Material Handling Division of the company designs, manufactures and erects long distance pipe conveyor systems. These 'closed' conveyors ensure dust free conveying and prevent spillage of material along the conveyor route.

2. *For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):*

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

Not measureable at the company's end as the actual benefit can only be measured at customer's end in actual applications. However, selection of equipment indicates better efficiency of our products.

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

Not measureable at Company's end.

3. *Does the Company have procedures in place for sustainable sourcing (including transportation)? (if yes, what % of the Company's inputs were sourced sustainably)?*

Yes, the Company has formulated an operating procedure to approve vendors. Materials are procured from approved vendors both, local and international. The quality assurance team of the Company conducts periodic audit of the vendors, especially those who supply key materials and there is very specific focus towards the conservation of energy, water & environment at their end. The Company enters into annual freight contracts with leading transporters for movement of materials. The Company continues to receive sustained support from its vendors.

4. *Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?*

Yes

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company evaluates and guides the local small and medium sized vendors to qualify as Green Channel supplier with self-certification of their supplies. This process is a continuous process and is being audited at pre-defined intervals.

5. ***Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? Also provide details. (Separately as < 5 %, 5-10 %, > 10 %).***

Yes: Recycling of waste is as below:-

Used Coolant/oil : 100% sell to registered recycler

Metal Waste/Scrap : 69% reused at Foundry

Treated sewage water : 100% reused in gardening

Principle 3: Well-being of employees

1. ***Please indicate the Total number of employees:*** 565
2. ***Please indicate the Total number of employees hired on temporary/contractual/casual basis:*** 221
3. ***Please indicate the Number of permanent women employees:*** 15 women employees
4. ***Please indicate the Number of permanent employees with disabilities:*** 01
5. ***Do you have an employee association that is recognized by management?:-*** Yes (Gujarat Mazdoor Panchayat)
6. ***What percentage of your permanent employees is members of this recognized employee association?:-*** 5.5 %
7. ***Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, and sexual harassment in the last financial year and pending, as on the end of the financial year.*** NIL

Sr. No.	Category	No. of complaints filed during the financial year 2021-22	No. of complaints pending as on end of the financial year i.e. 31st March, 2022
1.	Child labour/ forced labour/ involuntary labour	NIL	
2.	Sexual harassment		
3.	Discriminatory Employment		

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

Our safety and skill up-gradation programs are available to all the employees regardless of age, gender, physical disability, etc., and the percentage are as under:

(a) ***Permanent Employees:*** 70.6%

(b) ***Permanent Women Employees:*** 53.3%

(c) ***Casual/ Temporary/ Contractual Employees:*** 53.6%

(d) ***Employees with disabilities:*** 100 %

Principle 4: Responsiveness to all stakeholders

1. ***Has the Company mapped its internal and external stakeholders?***
Yes.
2. ***Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?***
Yes.
3. ***Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?***

Elecon Engineering Company Limited has always supported the welfare of local communities in the nearby region of registered office and branch office(s). Elecon strongly believes that serving the society is a responsibility. Be it education, health care, hygiene, medical care & nutrition, Elecon Group is emphatically invested in social welfare as its CSR.

Elecon Group of Companies undertakes it's CSR largely through two dedicated wings; namely EL-Care and Elecon Ladies Forum (ELF) under B. I. Patel Charitable Trust and I. B. Patel Charitable Trust guided under the able leadership of Shri Prayasvin Patel – ELECON Group Chairman and Smt. Taruna Patel- CEO Emtici Engineering Limited and Madhubhan Resort & Spa. Elecon benevolently participates towards the betterment of society through several initiatives, both large and small. Shri Prayasvin Patel has also been honored with the 'Charotar Ratna' award for the organization's magnanimous commitment in serving the local areas.

- "Annapurna" – Initiative during the pandemic

  The ELF adopted an initiative called "Annapurna" in crisis time. The activities were carried out to feed the needy and poor people. Bhandaras were organized outside the Elecon Campus.

ELF team came forward to help the needy and the underprivileged during the pandemic, and the organization has been proactive in supporting people who have lost their livelihoods. Fresh and healthy food was provided at no cost to the families of Covid-19 affected staff.

Education – Elecon continued providing support for education to the economically weaker but meritorious students of engineering schools by giving out full scholarship which included fees and expenses towards their boarding and lodging.

Healthcare – Healthcare is another area where Elecon has been actively contributing. Elecon has always come forward supporting nearby hospitals, clinics, health care centres etc. Our dedicated teams continuously study and understand the critical areas of opportunity and efficiently collaborates with social causes focused on helping the society and individuals. Our dedicated team continuously tries to study and understand the needs of the society and proposes areas where it can effectively collaborate with society at large for a better future.

Further, the Company through its B.I. Patel Charitable Trust and I. B. Patel Charitable Trust takes various initiatives in the area including above said areas and also conservation of environment.

The Company is committed to equal opportunity in its employment practices. The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

Principle 5: Promoting 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?***

   The Company's policy on human rights covers the entire Elecon Group.

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

   During the year under review, the Company did not receive any such complaint.

Principle 6: Protecting the environment

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

   The Company's policy on Principle 6 covers the entire Elecon Group. And the same is also extended to the key materials Suppliers and Contractors of 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.***

   No.

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

   Yes. Environment Risk is assessed from the design stage of the project & adequate steps are taken to reduce environmental impact at construction & operational stage.

4. ***Does the Company have any project related to Clean Development Mechanism?***

   No.

5. ***Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. (provide hyperlink)?***

   The Company has taken various initiatives on conservation of energy and technology absorption as mentioned in Annexure-C to the Board's Report.

   https:/www.elecon.com/Investors/Financial-Reports.

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

   Yes, quarterly monitored by approved third party and are within the permissible limits given by Gujarat Pollution Control Board.

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.***

   Nil.

Principle 7: Responsible policy advocacy

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

The Company is a member of various trade bodies and chamber of associations inter alia:-

1. Confederation of Indian Industry
2. Federation of Gujarat Industries
3. Gujarat Chamber of Commerce & Industry
4. Central Gujarat Chamber of Commerce & Industry
5. Indo-German Chamber of Commerce
6. EEPC India
7. Vitthal Udyognagar Industries Association
8. Indian Institute of Materials Management

2. *Has the Company advocated/lobbied through above associations for the advancement or improvement of public good?*

   Yes. The Company has advocated on various areas concerning economic reforms, best practices, new standards or regulatory development pertaining to engineering industry through the associations, from time to time.

Principle 8: Supporting inclusive development

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

   Elecon group of companies has been an organization that marches forward with a vision of philanthropy since its inception days. Elecon Group has established, nurtured and promoted Non-Profit Organisations I. B. Patel Charitable Trust and B. I. Patel Charitable Trust focussing on three major areas – Education, Healthcare and Rural Development.

   The Elecon Group has been providing gainful employment opportunities to the local population from in and around the manufacturing facilities.

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

   Elecon Group of Companies takes on its CSR largely through two dedicated wings; namely EL-Care and Elecon Ladies Forum (ELF) under B. I. Patel Charitable Trust and I. B. Patel Charitable Trust. Guided under the able leadership of Shri Prayasvin Patel (Group CMD) and Smt. Taruna Patel (CEO - Emtici Engineering Limited), Elecon benevolently participates towards the betterment of society through several small and large initiatives. The Company has taken numerous initiatives with a focus on uplifting the underprivileged and marginalized section of the society in the areas of health and sanitation, nutrition, education, etc.

3. *Have the Company done any impact assessment of Company's initiative?*

   Yes. Every year the impact of its program in terms of desired benefits to the target group are gauged. The findings are used for designing future CSR program in an effective and impactful manner.

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

   The details are mentioned in the Annexure-B of the Board's Report.

5. *Have the Company taken steps to ensure that this community development initiative is successfully adopted by the community?*

   The Company conducts impact assessment of its CSR initiatives through feedbacks collected from the beneficiaries of projects undertaken.

Principle 9: Providing value to customer

1. *What percentage of customer complaints/ consumer cases is pending as on the end of financial year?* Nil
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)*

   Yes. Some additional technical details relating to the Product are displayed on the most of the products' labels, which are over and above the mandated as per local laws.

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?*

   No.

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

   The Company conducts satisfaction survey once in every two years.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

It is imperative that our Company affairs are managed in a fair and transparent manner. We ensure that we evolve and follow the corporate governance guidelines and best practices. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the governance of the Company. Comprehensive Corporate Governance is critical to enhance and retain trust of the stakeholders. The Board of Directors of the Company fully supports Corporate Governance practices of the Company with appropriate checks and balances at right places and at right intervals.

This Report sets out the compliance with the principle of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and amendments thereof [hereinafter referred as "Listing Regulations"].

1. BOARD OF DIRECTORS

The Board provides strategic guidance and independent views to the Company's management while discharging its fiduciary responsibilities. The Board also provides direction and also exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholder's aspirations and society's expectations.

The Board has identified the list of core skills/expertise/competences of the Board of Directors as required in the context of the business of the company, which is also forms part of the Policy of the Nomination and Remuneration.

The Company is managed by the Board of Directors consisting highly qualified and experienced professionals from different fields, which formulates strategies, policies and reviews its performance periodically. The Chairman & Managing Director manages the business of the Company under the overall supervision, guidance and control of the Board.

Composition

The Company has a balanced Board with optimum combination of Executive and Non-Executive Directors, including independent professionals, which plays a crucial role in Board processes and provides independent judgment on issues of strategy and performance. The Board currently as on 31st March, 2022; comprises 7 (Seven) Directors out of which 6 (Six) Directors (86%) are Non-Executive Directors.

The Company has an Executive Chairman and 4 (four) Independent Directors including 1 (one) Woman Director comprise more than half (57%) of the total Board strength. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring best interest of the stakeholders and the Company.

In terms of Regulation 17(A) of the Listing Regulations, none of the Directors of the Company serves as an Independent Director in more than 7 (Seven) listed entities. Moreover, none of the Directors on the Company's Board is a Member of more than 10 (ten) Committees or act as Chairman of more than 5 (five) Committees (Committees being Audit Committee and Stakeholders Relationship Committee) across all the Companies in which he or she is a Director pursuant to the Regulation 26 of Listing Regulations. Necessary disclosures have been made by each Director.

The composition & category of Board of Directors and the number of Directorships and Committee positions held by them as on 31st March, 2022 are as under:

Name and Designation of Director(s) (DIN)	Category	No. of other Directorships held	No. of Board Committees in which Chairman / Member		List of Directorship held in Other Listed Companies and Category of Directorship
			Chairman	Member	
Shri Prayasvin B. Patel Chairman & Managing Director (DIN : 00037394)	Non-Independent & Executive Director	9	--	--	Eimco Elecon (India) Limited - Executive Director
Shri Prashant C. Amin (DIN : 01056652)	Non-Independent & Non-Executive Director	2	1	--	Eimco Elecon (India) Limited - Non-Executive - Nominee Director
Shri Pradip M. Patel (DIN : 00012138)	Non-Independent & Non-Executive Director	2	--	2	Eimco Elecon (India) Limited – Non-Executive - Non Independent Director, Chairperson
*Shri Jal R. Patel (DIN : 00065021)	Independent & Non-Executive Director	3	1	2	1. Gujarat Gas Ltd. - Non-Executive - Independent Director 2. Munjal Auto Industries Limited - Non-Executive - Independent Director
Shri Jai S. Diwanji (DIN : 00910410)	Independent & Non-Executive Director	2	--	3	1. Nesco Limited - Non-Executive - Independent Director 2. Kaira Can Limited - Non-Executive - Independent Director
Shri Pranav C. Amin (DIN : 00245099)	Independent & Non-Executive Director	4	--	1	Alembic Pharmaceuticals Limited - Managing Director
Dr. Sonal V. Ambani (DIN : 02404841)	Independent & Non-Executive Director	4	--	2	Acrysil Limited - Non-Executive - Independent Director

*The tenure of Shri Jal R. Patel as a Non-Executive Independent Director was completed on 31st March, 2022.

Notes:

1. The Directorships held by the Directors, as mentioned above, excludes directorships held in the Company, alternate directorships, directorships in foreign companies, Section 8 Companies and private limited companies which are not the subsidiaries of Public Limited Companies.
2. Represents Membership/Chairmanship of two Committees viz. Audit Committee and Stakeholders Relationship Committee (excluding the Committees of the Company) as per Listing Regulations.
3. Relationship between the Directors - As on 31st March, 2022, none of the Directors of the Company were related to each other except Shri Pradip M. Patel, who is Shri Prayasvin B. Patel's Sister's husband.
4. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 (the Act) and Listing Regulations. In the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the Management.
5. Video / teleconferencing facilities are used as and when required to facilitate Directors at other locations to participate in the meetings.

BOARD MEETINGS AND PROCEDURES

(A) Scheduling and selection of Agenda items for Board Meetings

i. The meetings are being convened by giving appropriate advance notice after obtaining the approval of the Chairman of the Board. Detailed agenda, management reports and other explanatory statements are circulated in advance amongst the members for facilitating meaningful, informed and focused discussions at the meeting. To address specific urgent need, meetings are also being called at shorter notice. The Board and Committees thereof are also authorized to pass resolution by circulation for all such matters, which are of utmost urgent nature.

ii. Where it is not practicable to attach any document or the agenda is of confidential nature, the same is placed on the table with the permission of the Chairman of the Board. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are permitted. In order to transact some urgent business which may come after circulation of agenda papers, the same is placed before the Board by way of Table Agenda or Chairman's Agenda. Frequent and detailed deliberation on the agenda provides the strategic roadmap for the future growth of the Company.

iii. The agenda papers are prepared by the Company Secretary and submitted to the Chairman and Managing Director for his approval. Duly approved agenda papers are circulated amongst the Board Members by the Company Secretary.

iv. Detailed presentations are made at the Board/Committee meetings covering finance, major business segments and operations of the Company and on auditors reports before approving the quarterly/half yearly/annual financial results of the Company.

v. As per the convenience of the Members of the Board, the Board Meetings are usually held at the Company's registered office at Vallabh Vidyanagar, Dist. Anand.

vi. The Members of the Board have complete access to all information of the Company. The Board is also free to recommend inclusion of any matter in agenda for discussion. Senior Management Officials are invited to provide additional inputs to the items discussed by the Board as and when necessary.

vii. The Companies Act, 2013 read with the relevant rules made thereunder, now facilitates the participation of a Director in Board/Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors in compliance of Companies Act, 2013 and Listing Regulations.

viii. Post Meeting Follow Up System: The Company has an effective post Board Meeting follow up procedure. Action Taken Report on the decisions taken in a meeting is placed at the next meeting for information of the Board.

(B) Recording minutes of proceedings at the Board Meeting

The Minutes of the proceedings of each Board Meeting is recorded and the same is sent to all Directors for their comments, if any. The said minutes are getting approved at the next Board Meeting and the same are signed by the Chairman as prescribed in the Companies Act, 2013 and Rules made thereunder as well as per the Secretarial Standards.

(C) Compliance

The Company Secretary is responsible for preparation of Agenda papers for the meetings and is required to ensure adherence to all the applicable provisions of laws, rules, guidelines etc. The Company Secretary has to ensure compliance to all the applicable provisions of the Companies Act, 2013 read with rules issued thereunder, SEBI Guidelines, SEBI (LODR) Regulations, 2015, Secretarial Standards issued by the Institute of Company Secretaries of India and other statutory requirements pertaining to capital market. The Board of Directors reviews quarterly Compliance Report confirming adherence to all applicable laws, rules, regulations and guidelines.

BOARD MEETINGS

During the year 2021-22, 5 (Five) Board Meetings were held on 26th April, 2021; 27th May, 2021; 6th August, 2021; 29th October, 2021 and 1st February, 2022. The Company has held atleast one Board Meeting in every quarter and the gap between two Board Meetings did not exceed one hundred and twenty days. The necessary quorum was present in all the meetings. Leave of absence was granted to concern Directors upon request who could not attend the respective Board Meeting. In view of Covid-19 pandemic all these board meetings were held in video conferencing/other audio-visual mode as allowed under MCA Circulars and SEBI Circulars.

The details of attendance of Directors at the Board Meetings and at the last Annual General Meeting are as under:

Name of Directors	No. of Board Meetings held during the tenure of Directorship	No. of Board Meetings Attended	Attendance at Last AGM
Shri Prayasvin B. Patel	5	5	Yes
Shri Prashant C. Amin	5	5	Yes
Shri Pradip M. Patel	5	5	Yes
Shri Jal R. Patel	5	5	Yes
Shri Jai S. Diwanji	5	5	Yes
Shri Pranav C. Amin	4	4	Yes
Dr. Sonal V. Ambani	5	5	Yes

Securities held by Non-Executive Directors in the Company as on March 31, 2022.

Name of Director	No of Equity shares held	No of convertible instruments held
Shri Jai Diwanji	28,050	Nil
Shri Pradip M. Patel	43,161	Nil
Shri Prashant C. Amin	39,675	Nil

(D) Disclosure regarding Directors retiring by rotation and being re-appointed:

Shri Prashant C. Amin, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

A brief profile of Shri Prashant C. Amin is given in the notice of Annual General Meeting, annexed to this Annual Report.

(E) Appointment of Independent Directors

During the year under review, the Board has recommended the appointment of Shri Ashutosh Pednekar (DIN: 00026049) for 5 years as an Independent Director with effective from 1st July, 2022. And the same is placed in the Notice of the 62nd Annual General Meeting of the Company being the part of this Annual Report.

On appointment of new Independent Director, Company issues formal letter of appointment to independent director describing their duties, responsibilities etc.

The terms and conditions of appointment of Independent Directors are uploaded on the website of the Company and can be accessed through weblink **https:/www.elecon.com/views/templates/admin-uploads/Investors/Policies/LOA-independent-directors-terms-conditions.pdf**.

(F) Separate meeting of Independent Directors

Separate meeting of Independent Directors was held on 24th February, 2022 to evaluate the performance of Non-Independent Directors and the Board as a whole as well as the performance of the Chairman of the Company.

(G) Familiarization Programme for Independent Directors

The Company has conducted the familiarization programme for Independent Directors of the Company; details for the same have been disclosed on the Company's website and can be accessed through weblink **https:/www.elecon.com/investors/corporate-information**.

(H) The following is the list of core skills/expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively with name of directors having such skills/expertise/ competencies:

The Board comprises with highly qualified members possessing required skills, expertise and competence in making effective contributions towards the growth of the company. Leadership, operational experience, strategic planning, industry experience, research & development, innovation, consumer insights, marketing, supply chain management and branding are the key core skill / expertise / competence, in the context of the company's business apart from governance, finance, taxation and regulatory affairs functions. In the opinion of the Board, these skills are available with the board and the following chart / matrix depicts the aforesaid skills/expertise/competence possessed by the board as on 31st March, 2022.

Sr. No.	Skills / expertise / competencies	Shri Prayasvin B. Patel	Shri Prashant C. Amin	Shri Pradip M. Patel	Shri Jal R. Patel	Shri Jai S. Diwanji	Smt. Sonal V. Ambani	Shri Pranav Amin
1	**Qualification & Knowledge:** (a) Degree holder in relevant disciplines (e.g. management, finance, engineering, marketing, legal etc.);	✓	✓	✓	✓	✓	✓	✓
	(b) Knowledge to understand the Company's business (including its mission, vision & values), strategic plans, goals, policies and major risk factors as well as threats & opportunities.	✓	✓	✓	✓	✓	✓	✓
2	**Experience** (c) Experience of management in a diverse organisation	✓	✓	✓	✓	✓	✓	✓
	(d) Experience in finance, administration, corporate and strategic planning, sales & marketing etc.	✓	✓	✓	✓	✓	✓	✓
	(e) Demonstrable ability to work effectively with a Board of Directors	✓	✓	✓	✓	✓	✓	✓
	(f) Experience in Corporate Strategic Decision Making to achieve the goals and mission	✓	✓	✓	✓	-	✓	✓
3	**Skills** (g) Excellent interpersonal, communication and representational skills	✓	✓	✓	✓	✓	✓	✓
	(h) Financial Skills, Technical or other relevant Professional Skills	✓	✓	✓	✓	✓	✓	✓
	(i) Demonstrable leadership skills	✓	✓	✓	✓	✓	✓	✓
	(j) Extensive team building and management skills	✓	✓	✓	✓	✓	✓	✓
	(k) Strong influencing and negotiating skills	✓	✓	✓	✓	✓	✓	✓
	(l) Having continuous professional development to refresh knowledge and skills	✓	✓	✓	-	✓	✓	✓
4	**Abilities and Attributes** (m) Commitment to high standards of ethics, personal integrity and probity	✓	✓	✓	✓	✓	✓	✓
	(n) Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace	✓	✓	-	✓	✓	✓	✓
	(o) Attributes & Competencies to function well as team members and to interact with the key stakeholders	✓	✓	✓	✓	✓	✓	✓
	(p) Social Responsibilities towards Society at large.	✓	✓	✓	✓	✓	✓	✓

(I) Certification from Company Secretary in Practice

The Company has received a certificate from M/s. Kiran Vaghela & Associates, Practicing Company Secretaries, as required under the Listing Regulations, confirming that none of the Directors on Board of the Company has debarred or disqualified from being appointed or continuing as director of the Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

(J) Code of Conduct

The Board of Directors of the Company has laid down a "Code of Conduct" for all Board Members including Independent

Directors and Members of Senior Management of the Company. The Code of Conduct is posted on the website of the Company and can be accessed through weblink https:/www.elecon.com/views/templates/admin-uploads/Investors/Policies/Elecon-Code-of-Conduct.pdf. The Board Members (including Independent Directors) and Senior Management have affirmed compliance with the "Code of Conduct" for the year ended 31st March, 2022.

A declaration on confirmation of compliance of the Code of Conduct, signed by the Company's Chairman and Managing Director is published in this Report.

(K) Prevention of Insider Trading Code

The Board of Directors of the Company have also amended the policy on the Code of Conduct for Prevention of Insider Trading & Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as per the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2020 as posted on the website of the Company and can be accessed through weblink https:/www.elecon.com/views/templates/admin-uploads/Investors/Trading-Window/2020-2021/Elecon_Code_of_Conduct_of_Prevention_of_Insider_Trading_and_Code_of_Fair_Disclosure_of_UPSI_2020_2021.pdf.

The Compliance Officer of the Company is responsible for adherence to "Code of Conduct for Prohibition of Insider Trading Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information."

(L) Whistle Blower Policy

The Company has in place a Whistle Blower Policy and has established the necessary Vigil Mechanism for employees and Directors to report concerns about unethical behavior / practices. Employees use this channel to report concerns related to discrimination, retaliation and harassment and are assured of complete anonymity and confidentiality. During the year under review, no such cases were reported.

The detail of such mechanism is communicated to all the directors and employees and the Whistle Blower Policy is also uploaded on the website of the Company and can be accessed through weblink https:/www.elecon.com/views/templates/admin-uploads/Investors/whistle-blower-policy/Elecon-Whistle-Blower-Policy-2022.pdf.

(M) CEO / CFO Certificate

The Managing Director/CEO and the Chief Financial Officer of the Company have furnished the requisite certificate to the Board of Directors under Regulation 17(8) of Listing Regulations. The said certificate is part of the Annual Report.

(N) Policy for Determining Material Subsidiary

The Company has adopted policy for determining material subsidiaries and material non-listed subsidiary of the Company to provide the governance framework for them. The Company's policy on "Material Subsidiary" is placed on the Company's website and can be accessed through weblink https:/www.elecon.com/views/templates/admin-uploads/Investors/Policies/Elecon-Policy-on-Determining-Material-Subsidiary-2020.pdf. For financial year 2021-22, the Company does not have any Material Subsidiary Company.

(O) Policy for Determining Materiality for Disclosures

In line with requirements under Regulation 30 of the Listing Regulations, the Company has framed a policy on disclosure of material events and information as per the Listing Regulations, which is available on our website https:/www.elecon.com/views/templates/admin-uploads/Investors/Policies/Elecon-Policy-on-Determination-of-Materiality-of-Events-2017.pdf. The objective of this policy is to have uniform disclosure practices and ensure timely, adequate and accurate disclosure of material event and information on an ongoing basis.

2. COMMITTEES OF BOARD

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of the diverse matters. The Board supervises the execution of its responsibilities by the Committees and is responsible for their actions. The minutes of the meetings of all the Committees are placed before the Board for review.

As on date, the Board has established the following committees.

A. Audit Committee
B. Nomination and Remuneration Committee
C. Stakeholders Relationship Committee
D. Corporate Social Responsibility (CSR) Committee
E. Risk Management Committee
F. Management Committee

A. Audit Committee

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing, and financial reporting process including review of the internal audit reports and action taken report.

The terms of reference and role of the Audit Committee is in accordance with the amendments to Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. The terms of reference of the Audit Committee inter alia include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and Auditor's report thereon before submission to the board for approval, with particular reference to:
    a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
    b) Changes, if any, in accounting policies and practices and reasons for the same
    c) Major accounting entries involving estimates based on the exercise of judgment by management
    d) Significant adjustments made in the financial statements arising out of audit findings
    e) Compliance with listing and other legal requirements relating to financial statements
    f) Disclosure of any related party transactions
    g) modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. 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;
16. 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;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

The Audit Committee comprises of experts specializing in accounting/financial management. The Chairman of the Audit Committee, Shri Jal R. Patel is a Non - Executive and Independent Director.

Name of Members	Designation	Category
Shri Jal R. Patel*	Chairman	Independent & Non-Executive Director
Shri Pradip M. Patel	Member	Non-Independent & Non-Executive Director
Shri Jai S. Diwanji	Member	Independent & Non-Executive Director
Dr. Sonal V. Ambani	Member	Independent & Non-Executive Director

*The tenure of Shri Jal R. Patel as a Non-Executive Independent Director was completed on 31st March, 2022.

The Audit Committee met Four times on the following dates during the last financial year:

27.05.2021	06.08.2021	29.10.2021	01.02.2022

Attendance at Audit Committee Meetings:

Name of Members	No. of Meetings Held During the tenure of Membership	No. of Meetings Attended
Shri Jal R. Patel	4	4
Shri Pradip M. Patel	4	4
Shri Jai S. Diwanji	4	4
Dr. Sonal V. Ambani	4	4

In view of Covid 19 pandemic exists throughout the year, all these Committee meetings were held through video conference mode as allowed under MCA Circulars and SEBI Circulars.

The tenure of Shri Jal R. Patel as an Independent Director was completed on close of the business hours on 31st March, 2022. During the year under review, the Board at its meeting held on 1st February, 2022 had re-constituted the Audit Committee as under effective from 1st April, 2022:

The present composition of the Audit Committee is as under:

Name of Members	Designation	Category
Shri Jai S. Diwanji	Chairman	Independent & Non-Executive Director
Shri Pradip M. Patel	Member	Non-Independent & Non-Executive Direc-tor
Dr. Sonal V. Ambani	Member	Independent & Non-Executive Director

The CFO, Statutory Auditors, Internal Auditors are permanent invitees to the meetings and attended & participated at the meetings of the Committee. The Company Secretary of the Company acts as the Secretary of the Committee. The Chairman of the Audit Committee attended the last Annual General Meeting (AGM) held on 6th August, 2021.

The minutes of Audit Committee Meetings are reviewed by the Board of Directors at the subsequent Board Meetings.

B. **Nomination and Remuneration Committee**

The constitution and terms of reference of Nomination and Remuneration Committee of the Company are in compliance with provisions of Section 178 of Companies Act, 2013 and Regulation 19 of Listing Regulations.

Terms of reference of Nomination and Remuneration Committee as amended by the Board are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

a. use the services of an external agencies, if required;

b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

c. consider the time commitments of the candidates.

2. Formulation of criteria for evaluation of Independent Directors and the Board;

3. Devising a policy on Board diversity;

4. 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 their appointment and removal and shall carry out evaluation of every Director's performance.

5. Review the whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

6. Recommend to the board, all remuneration, in whatever form, payable to senior management.

The policy is framed by the Nomination and Remuneration Committee and approved by the Board. The terms and conditions of appointment are disclosed in the website of the Company at https:/www.elecon.com/investors/policies.

During the financial year under review, the composition of Nomination and Remuneration Committee was as under:

Name of Members	Designation	Category
Shri Jai S. Diwanji	Chairman	Independent & Non-Executive Director
Shri Pradip M. Patel	Member	Non-Independent & Non-Executive Director
Shri Jal R. Patel*	Member	Independent & Non-Executive Director
Dr. Sonal V. Ambani	Member	Independent & Non-Executive Director

*The tenure of Shri Jal R. Patel as a Non-Executive Independent Director was completed on 31st March, 2022.

During the year under review, the Board at its meeting held on 1st February, 2022 had re-constituted the Nomination and Remuneration Committee as under effective from 1st April, 2022:

Name of Members	Designation	Category
Shri Jai S. Diwanji	Chairman	Independent & Non-Executive Director
Shri Pradip M. Patel	Member	Non-Independent & Non-Executive Director
Dr. Sonal V. Ambani	Member	Independent & Non-Executive Director

The Nomination and Remuneration Committee met once on 27th May, 2021 during the last financial year through video conference mode as allowed under MCA Circulars and SEBI Circulars.

Attendance at Nomination and Remuneration Committee Meetings:

Name of Members	No. of Meeting Held During the tenure of Membership	No. of Meeting Attended
Shri Jai S. Diwanji	1	1
Shri Pradip M. Patel	1	1
*Shri Jal R. Patel	1	1
Dr. Sonal V. Ambani	1	1

*The tenure of Shri Jal R. Patel as a Non-Executive Independent Director was completed on 31st March, 2022.

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

The minutes of Nomination & Remuneration Committee are reviewed by the Board of Directors at the subsequent Board Meeting.

(I) Nomination & Remuneration Policy

The Company has adopted a Policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company, which is uploaded on the website of the Company https:/www.elecon.com/views/templates/admin-uploads/Investors/Policies/Elecon-The-Nomination-and-Remuenration-Policy-2019.pdf.

The Remuneration of the Executive Directors is determined by the Nomination and Remuneration Committee within the permissible limits of the Companies Act, 2013 and as approved by Board and shareholders.

The Company's remuneration policy is driven by the success and performance of the managerial personnel. While reviewing the remuneration of managerial personnel, Key Managerial Personnel (KMPs) and other senior officials, the Committee takes into account the following:

- Financial position of the Company
- Scales prevailing in the industry
- Appointee's qualification and expertise
- Past performance
- Past remuneration etc.

(II) Performance Evaluation:-

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of the Individual Directors and the Board. The framework of performance evaluation of the Independent Directors will capture the following points:

- ➢ Leadership & stewardship abilities;
- ➢ Contributing to clearly defined corporate objectives & plans;
- ➢ Communication of expectations & concerns clearly with subordinates;
- ➢ Obtain adequate, relevant & timely information from external sources;
- ➢ Review & approval achievement of strategic and operational plans, objectives, budgets;
- ➢ Regular monitoring of corporate results against projections;
- ➢ Identify, monitor & mitigate significant corporate risks;
- ➢ Assess policies, structures & procedures;
- ➢ Direct, monitor & evaluate KMPs, senior officials;
- ➢ Review management's succession plan;
- ➢ Effective meetings;
- ➢ Assuring appropriate board size, composition, independence, structure;
- ➢ Clearly defining roles & monitoring activities of committees; and
- ➢ Review of corporation's ethical conduct.

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, 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.

A separate exercise was carried out to evaluate the performance of individual Directors, including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The performance of the Committee was evaluated by the Board after seeking inputs from the Committee members. The Directors expressed their satisfaction with the evaluation process.

The Committee has also reviewed the performance of the KMPs and Senior officials as per the said policy of the Company for the year under review.

(III) Remuneration of Directors

a. Non-Executive Directors

The Company will pay commission on annual basis at ` 7,00,000/- to each Non-Executive Directors for the Financial Year ended on 31st March, 2022. The Non-Executive Directors do not draw any remuneration from the Company other than the commission and sitting fees. The Company pays the the sitting fees to each Non-Executive Director at the rate of ` 30,000/- for attending each Board Meeting & Audit Committee Meeting, ` 12,000/- for Management Committee and Independent Directors Meeting, ` 10,000/- for Nomination & Remuneration Committee Meeting, ` 6,000/- for Committee Meetings. The details of sitting fees & commission paid to Non-Executive Directors for attending Board and Committee Meetings during the financial year 2021-22, are as under:

(` in Lakhs)

Name of Directors	Sitting fees for 2021-22	Commission on Annual basis for the year 2021-22	Total
Shri Pradip M. Patel	2.87	7.00	9.87
Shri Jal R. Patel	2.99	7.00	9.99
Shri Jai S. Diwanji	3.11	7.00	10.11
Dr. Sonal V. Ambani	2.93	7.00	9.93
Shri Prashant C. Amin	1.63	7.00	8.63
Shri Pranav C. Amin	1.32	7.00	8.32

Note: The above Sitting Fees excludes re-imbursement of the expenses incurred by Directors to attend the Meetings.

b. **Executive Directors**

The Company pays remuneration by way of salary, perquisites and allowances to its Executive Director(s).

The remuneration paid to the Chairman & Managing Director by the Company for the Financial Year 2021-22 is as follow:

(` in Lakhs)

Name of Directors	Salary	Perquisites*	Commission	Total
Shri Prayasvin B. Patel#	303.39	4.88	300.00	**608.27**

The appointment is contractual.

* Monetary value of perquisites is in accordance with provision of the Income Tax Act, 1961.

The payment of aforesaid remuneration is within the permissible limits of the Companies Act, 2013 as approved by Board and Shareholders.

There is no separate provision for payment of severance fees under the regulations governing the appointment of Chairman & Managing Director and Executive Director.

The Company has not granted any stock options to the aforesaid Executive Director or Employees of the Company.

The aforesaid Executive Director, so long as he functions as such shall not be entitled to any sitting fees for attending any meetings of Board or Committees thereof.

C. **Stakeholders Relationship Committee**

The constitution and terms of reference of Stakeholders Relationship Committee of the Company are in compliance with the provisions of Section 178 of Companies Act, 2013 and Regulation 20 of Listing Regulations.

Terms of Reference:

1. Oversee and review all matters connected with the transfer of the Company's securities.
2. Monitor redressal of Investors' / Shareholders'/ Security Holders' Grievances.
3. Oversee the performance of the Company's Registrar & Transfer Agents.
4. Recommend methods to upgrade the standard of services to investors.
5. Carry out any other function as may be referred by the Board from time to time or endorsed by any statutory notification / amendment or modifications as may be applicable.

The Board revised the role/functions of the Committee as per the amendments in the Listing Regulations as under:

1) Resolving the grievances of the security holders of the listed entity 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.
2) Review of measures taken for effective exercise of voting rights by shareholders.
3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed

dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee places a certificate of Registrar & Transfer Agent about the details of complaints received and their disposal during the quarter.

The present composition of Stakeholders Relationship Committee is as under:

Name of Members	Designation	Category
Shri Jal R. Patel*	Chairman	Independent & Non-Executive Director
Shri Pradip M. Patel	Member	Non-Independent & Non-Executive Director
Shri Jai S. Diwanji	Member	Independent & Non-Executive Director

*The tenure of Shri Jal R. Patel as an Independent Director was completed on 31st March, 2022.

The Board at its meeting held on 1st February, 2022 had re-constituted the Stakeholders Relationship Committee as under effective from 1st April, 2022:

Name of Members	Designation	Category
Shri Jai S. Diwanji	Chairman	Independent & Non-Executive Director
Shri Pradip M. Patel	Member	Non-Independent & Non-Executive Director
Dr. Sonal V. Ambani	Member	Independent & Non-Executive Director

The Stakeholders Relationship Committee met twice on 27th May, 2021 and 6th August, 2021 during the last financial year through video conference mode as allowed under MCA Circulars and Sebi Circulars.

Attendance at Stakeholders Relationship Committee Meeting:

Name of Members	No. of Meetings Held During the tenure of Membership	No. of Meeting Attended
Shri Jal R. Patel	2	2
Shri Pradip M. Patel	2	2
Shri Jai S. Diwanji	2	2

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

The minutes of Stakeholders Relationship Committee are reviewed by the Board of Directors at the subsequent Board Meeting.

Redressal of Investor Grievances

The Company and its Registrar & Transfer Agent addresses all complaints, suggestions, and grievances expeditiously and replies are sent usually 7-10 days except in case of dispute over facts or other legal impediments and procedural issues. The Company endeavors to implement suggestions as and when received from the investors.

During the year under review, a total of 18 investors' complaints were received and resolved pertaining to Equity Shares of the Company. There was no unattended or pending investor grievance as on 31st March, 2022. No queries/ complaints received pertaining to Non-Convertible Debentures of the Company during the year under review.

D. Corporate Social Responsibility (CSR) Committee

The Company has constituted CSR Committee as per the provisions of Section 135 of Companies Act, 2013 and rules framed there under.

The present composition of CSR Committee is as under:

Name of Members	Designation	Category
Dr. Sonal V. Ambani	Chairperson	Independent & Non-Executive Director
Shri Prayasvin B. Patel	Member	Non-Independent & Executive Director
Shri Prashant C. Amin	Member	Non-Independent & Executive Director

The CSR Committee met once during the Financial Year on 27th May, 2021 through video conference mode as allowed under MCA Circulars and Sebi Circulars.

Attendance at CSR Committee Meeting:

Name of Members	No. of Meetings Held During the tenure of Membership	No. of Meeting Attended
Dr. Sonal V. Ambani	1	1
Shri Prayasvin B. Patel	1	1
Shri Prashant C. Amin	1	1

The Company Secretary acts as a secretary to the Committee.

The minutes of the CSR Committee were reviewed by the Board of Directors at the subsequent Board Meetings.

E. **Risk Management Committee**

As per the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, it is mandatory for top 1000 Listed Companies to constitute the Risk Management Committee consisting of minimum three members with majority of them being members of the Board of Directors, including at least one Independent Director. During the year under review, the Board had re-constituted the Risk Management Committee at its meeting held on 6th August, 2021 comprising of the following members:

Name of Members	Designation	Category
Shri Jai Diwanji	Chairman	Independent Director
Shri Prayasvin B. Patel	Member	Executive Director
Shri Prashant C. Amin	Member	Non-Independent & Non-Executive Director
*Shri M. M. Nanda	Member	Head (Gear Division)
*Shri P. K. Bhasin	Member	Head (MHE Division)

**They are the Senior Management persons of the Company.

The Committee met Two times on the following dates during the last financial year through video conference mode:

06.08.2021	04.01.2022

Attendance at Risk Management Committee Meeting:

Name of Members	No. of Meetings Held During the tenure of Membership	No. of Meetings Attended
Shri Jai Diwanji	2	2
Shri Prayasvin B. Patel	2	2
Shri Prashant C. Amin	2	2
Shri M. M. Nanda	2	2
Shri P. K. Bhasin	2	2

The Company Secretary acts as a secretary to the Committee.

The minutes of the said Committee were reviewed by the Board of Directors at the subsequent Board Meetings.

The provision of the abovesaid Regulations stipulates the following:

1. The Chairperson of the Risk management Committee shall be a member of the board of directors and senior executives of the listed entity may be members of the committee.
2. The risk management committee shall meet at least twice in a year.
3. The quorum for a meeting of the Risk Management Committee shall be either two members or one third of the members of the committee, whichever is higher, including atleast one member of the board of directors in attendance.
4. The meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings.
5. The board of directors shall define the role and responsibility of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit such function shall specifically cover cyber security.

6. Provided that the role and responsibilities of the Risk Management Committee shall mandatorily include the performance of functions specified in Part D of Schedule II.
7. The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

During the year under review, the Board has approved the revised Risk Management Policy of the Company. The same is available at the website of the Company **https:/www.elecon.com/views/templates/admin-uploads/Investors/Policies/Risk-Management-Policy.pdf.**

F. **Management Committee:**

In addition to the above Committees, the Board has constituted a Management Committee comprising of following Directors to transact certain routine but urgent businesses.

During the year under review, following is the composition of Management Committee:

Name of Members	Designation	Catagory
Shri Prayasvin B. Patel	Chairman	Non-Independent & Executive Director
Shri Prashant C. Amin	Member	Non-Independent & Executive Director
Shri Jai S. Diwanji	Member	Independent & Non-Executive Director
*Shri Jal R. Patel	Member	Independent & Non-Executive Director

*The tenure of Shri Jal R. Patel as an Independent Director was completed on 31st March, 2022.

The Board at its meeting held on 1st February, 2022 had re-constituted the Management Committee as under effective from 1st April, 2022:

Name of Members	Designation	Catagory
Shri Prayasvin B. Patel	Chairman	Non-Independent & Executive Director
Shri Prashant C. Amin	Member	Non-Independent & Executive Director
Shri Jai S. Diwanji	Member	Independent & Non-Executive Director
Shri. Pranav Amin	Member	Independent & Non-Executive Director

During the year under review, no meeting of the management committee was held.

3. GENERAL BODY MEETINGS:

A. GENERAL MEETING

Location, date and time of General Meetings held during last 3 years:

Year	Location	AGM/ EGM	Date	Day	Time	No. of Special Resolution(s) Passed
2018-19	Elecon Engineering Co. Ltd. Audio Visual Hall, Eimco Elecon Building, Anand Sojitra Road, Vallabh Vidyanagar - 388 120.	EGM	30-03-2019	Saturday	11.00 a.m.	2
2018-19	Elecon Engineering Co. Ltd. Audio Visual Hall, Eimco Elecon Building, Anand Sojitra Road, Vallabh Vidyanagar - 388 120.	AGM	17-09-2019	Tuesday	10.00 a.m.	1
2019-20	Elecon Engineering Co. Ltd., Through Video Conferencing	AGM	24-09-2020	Thursday	10.00 a.m.	2
2020-21	Elecon Engineering Co. Ltd., Through Video Conferencing	AGM	06-08-2021	Friday	4.00 p.m.	1

Postal Ballot

During the year under review, no resolutions were passed through Postal Ballot process.

Special resolutions proposed to be conducted through Postal Ballot

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot. Any Special resolutions by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time.

Procedure for Postal Ballot

The procedure for Postal Ballot shall be as per the provisions contained in this behalf in the Companies Act, 2013 and Rules made there under, viz., Companies (Management and Administration) Rules, 2014 and any amendments thereof from time to time. Electronic voting facility has been provided to all members, to enable them to cast their votes electronically. The Company engaged the services of Link Intime India Private Limited for the purpose of providing e-voting facility to all its members.

Subsidiary Companies

The Company has 11 Direct & Indirect Subsidiary Companies. The subsidiaries of the Company function with an adequately empowered Board of Directors and sufficient resources. For more effective governance, the Company monitors performance of subsidiary companies, inter alia, by following means:

a) Financial statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by the Company's Audit Committee.

b) Minutes of meetings of Board of Directors of the unlisted subsidiary Company be placed before the Board of the Company regularly. For the financial year under review, the Company does not have any material unlisted subsidiary Company.

c) A statement, wherever applicable, of all significant transactions and arrangements entered into by the Company's subsidiaries is presented to the Board of the Company at its meetings. The risk factors and project reports of the Subsidiary Companies are also reviewed by the Audit Committee of the Company.

Related party transactions

Full disclosure of related party transactions in compliance with Indian Accounting Standard – 24 notified by the Ministry of Corporate Affairs are given in the Notes to Financial Statements. All contracts or arrangements with related parties, entered during the financial year were at arm's length basis and in the ordinary course of the Company's business as defined under the Act and Regulation 23 of the Listing Regulations. There were no materially significant related party transaction during the financial year which were in conflict with the interest of the Company.

The amended policy on Related Party Transactions as approved by the Board of Director's at its meeting held on 1st February, 2022 is uploaded on the Company's website at **https:/www.elecon.com/views/templates/admin-uploads/Investors/Policies/RPT-Policy-2022-FINAL.pdf**.

Details of Non-Compliance by the Company and penalties, strictures imposed on the Company by the Stock Exchange, SEBI or any Statutory Authorities on any matter related to capital market during the last three years.

The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authorities on all matters related to Capital Market during the last three years.

All Returns/Reports were filed within stipulated time with Stock Exchanges/other authorities.

No penalties or strictures were imposed by SEBI, Stock Exchanges or any Statutory Authorities for any matter relating to Capital Market during the last three years.

Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Indian Accounting Standard notified by the Ministry of Corporate Affairs. The significant accounting policies applied in preparation and presentation of financial statements has been set out in the Notes to Financial Statements.

Dividend History

Year	Rate (%)	Per Share (`)	Amount (` in Lakhs)
2013-2014	50%	1.00	1,089.36
2014-2015	55%	1.10	1,198.29
2015-2016	55%	1.10	1,198.29
2016-2017	25%	0.50	561.00
2017-2018	10%	0.20	224.40
2018-2019	10%	0.20	224.40
2019-2020	Nil	Nil	Nil
2020-2021	20%	0.40	448.80
2021-2022*	70%	1.40	1,570.80

*Subject to the approval by the members at the 62nd AGM. For financial year 2021-22, the Board of Directors recommended Final Dividend of ₹ 1.00/- (i.e. 50%) and additionally Special Dividend of ₹ 0.40/- (i.e. 20%), to mark 70 years of Elecon Brand, which aggregates to ₹ 1.40/- (i.e. 70%) per Equity Share.

Stock Options / Convertible instruments

The Company has not issued any Stock options/Convertible instruments to its Directors/Employees.

Green Initiative

Electronic copies of the Annual Report 2021-22 and the Notice of the 62nd Annual General Meeting are sent to all members whose email addresses are registered with the Company/Depository Participant(s).

4. MEANS OF COMMUNICATION

a) Quarterly, Half-yearly and Annual Results:

The quarterly/ half yearly and annual financial statements are normally published in prominent daily newspapers viz. The Economic Times, Financial Express, The Business Standard, The Hindu Business Line, Naya Padkar, Jay Hind having wide circulation across the country and also displayed on the website of the Company on www.elecon.com.

b) The Company also informs by way of intimation to the Stock Exchanges all price sensitive matters or such other matters which in its opinion are material and of relevance to the investors.

c) The Company's financial results and official news releases and the presentation made to the investors, financial analyst are displayed on the Company's website www.elecon.com.

d) Management Discussion and Analysis Report is attached with the Board's Report in this Annual Report.

5. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date and Time	:	Tuesday, 28th June, 2022 at 3.00 p.m. IST
Venue	:	Through Video Conferencing, ('VC')/Other Audio Visual means ('OAVM') The place of the meeting deemed to be the Registered Office of the Company at Vallabh Vidyanagar - 388120, Dist. Anand, Gujarat.
b) Financial Calendar	:	1st April to 31st March
c) Date of Book Closure	:	Saturday, 11st June, 2022 to Tuesday, 28th June, 2022 (both days inclusive).
d) Dividend Payment Date	:	Credit/dispatch of Dividend Warrants on or after Friday, 1st July, 2022.

e) Listing on Stock Exchange :

Securities	Name & address of the Stock Exchanges and Stock Code
Equity Shares	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 (Stock Code: 505700)
	The National Stock Exchange of India Limited (NSE), "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. (Stock Code: ELECON)

The Company has paid the Annual Listing fees to the Stock Exchanges for the Financial Year 2021-22.

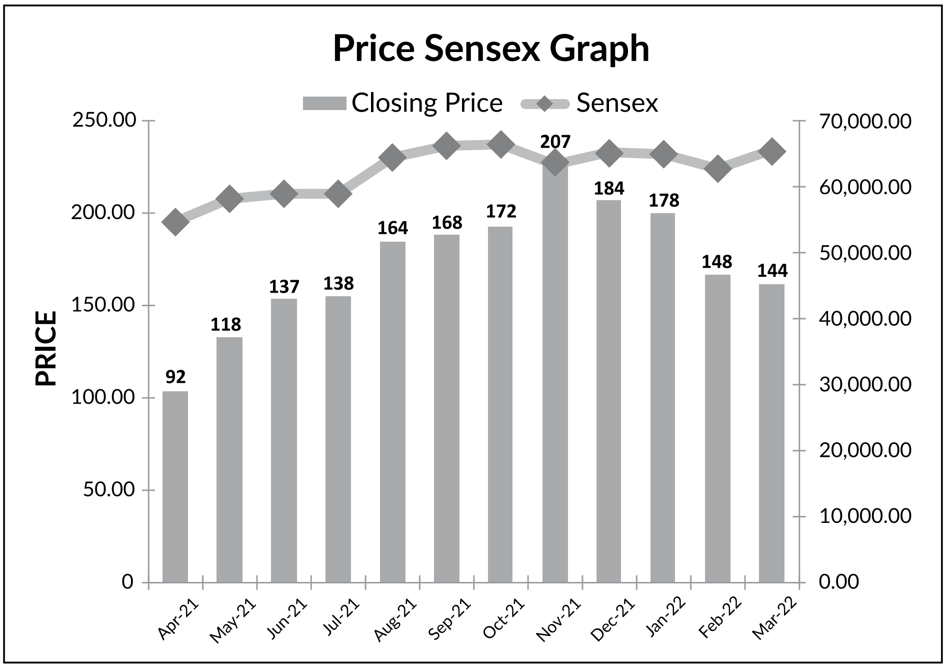
f) Demat ISIN in NSDL and CDSL

- For Equity Shares : INE 205B01023

g) **Stock Market Price Data** : Monthly share price movement during the year 2021-22 at BSE & NSE

Months	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr - 2021	98.75	61.45	19,97,945	98.00	61.50	1,61,94,062
May - 2021	120.70	83.80	25,11,262	120.70	84.35	3,06,66,811
June - 2021	142.80	109.30	61,94,201	142.80	109.35	4,45,83,477
July - 2021	149.75	124.25	1,32,86,976	149.90	124.10	3,10,56,677
Aug - 2021	183.60	136.60	50,33,432	183.60	136.60	3,93,78,077
Sep - 2021	185.95	158.00	29,29,185	186.00	158.10	1,72,41,364
Oct - 2021	179.80	142.40	14,52,523	180.00	142.25	96,50,457
Nov - 2021	219.00	162.45	24,91,639	219.00	162.50	2,57,23,585
Dec - 2021	212.80	163.55	18,83,047	212.00	163.60	1,52,67,134
Jan - 2022	214.15	166.05	23,38,310	214.30	166.00	1,56,09,128
Feb - 2022	183.40	129.30	16,67,976	183.70	128.05	95,03,904
Mar - 2022	163.25	136.75	13,67,442	163.20	136.75	79,87,060

Performance in comparison to board-based indices such as BSE Sensex



h) **Registrar & Transfer (R&T) Agent:**

The Company has appointed following R & T Agent for Physical Transfer & Demat of the Shares and Non-convertible Debentures:

M/s. Link Intime India Pvt. Ltd.
B-102/103, Shangrila Complex,
1st Floor, Opp. HDFC Bank,
Near Radhakrishna Crossing,
Akota , Vadodara -390 020
Email: vadodara@linkintime.co.in
Phone: 0265-6136000/2356573
Fax.: 0265-2356791
Contact Person: Shri Alpesh Gandhi

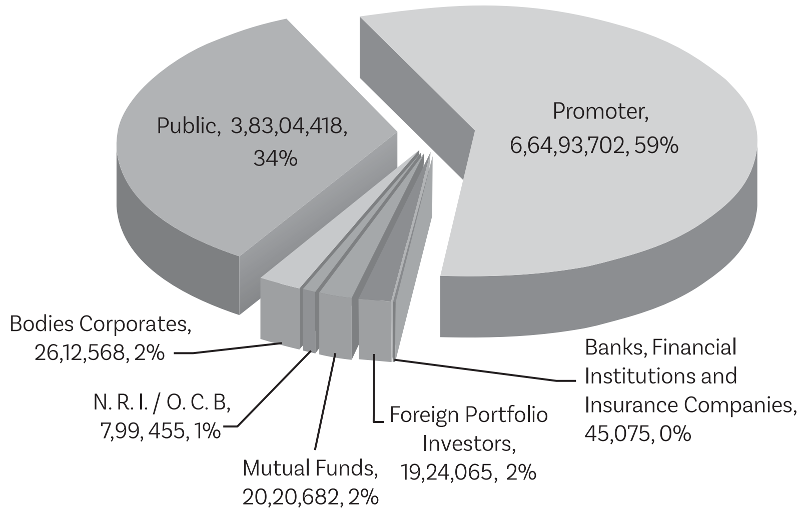
Shareholders are requested to correspond directly with the R & T Agent for transfer / transmission of shares, change of address, queries pertaining to their shares, dividend etc.

i) **Share Transfer System:**

The Company's Shares are in compulsory Demat List and are transferable through the Depository system. Demat transfers as well as physical transfers are handled by M/s. Link Intime India Pvt. Ltd. having their registered head office at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083 and branch office at the address mentioned above.

j) **Shareholding Pattern as on 31st March, 2022.**

Category	No. of Shares held	(%) of total
Promoters	6,64,93,702	59.26
Banks, Financial Institutions and Insurance Companies	45,075	0.04
Foreign Portfolio Investors	19,24,065	1.71
Mutual Funds	20,20,682	1.80
N.R.I. / O.C.B.	7,99,455	0.71
Bodies Corporate	26,12,568	2.33
Public	3,83,04,418	34.14
TOTAL	**11,21,99,965**	**100.00**



Shareholding Pattern

k) **Distribution of Shareholding as on 31st March, 2022**

Category	No. of Shareholders	Percentage	No. of Shares	Percentage
1 - 500	53,806	86.37	65,10,461	5.80
501 - 1000	3,968	6.37	31,92,612	2.85
1001 - 2000	2,090	3.36	31,41,626	2.80
2001 - 3000	774	1.24	19,99,117	1.78
3001 - 4000	367	0.59	13,13,093	1.17
4001 - 5000	319	0.51	15,03,032	1.34
5001 - 10001	534	0.86	39,48,537	3.52
Above 10001	437	0.70	9,05,91,487	80.74
TOTAL	**62,295**	**100.00**	**11,21,99,965**	**100.00**

l) Dematerialization of Shares and Liquidity

As on 31st March, 2022, 11,06,35,915 Shares were in dematerialized form representing 98.61% of total Shares. The Company's shares are traded on the BSE Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai.

m) Outstanding GDRs/ADRs/Warrants or any other convertible Instruments, conversion date and likely impact on equity as on 31st March, 2022:

There is no outstanding GDRs/ADRs/Warrants or any other Convertible Instruments as on 31st March, 2022.

n) Unclaimed Dividend

As per the provisions of Section 124 read with Section 125 of Companies Act, 2013, the Company is required to transfer the dividend remained unclaimed and unpaid for a period of seven years from the due dates to the Investor Education and Protection Fund (IEPF) set up by the Central Government. During the year, the unclaimed dividend pertaining to the financial year 2013-14 has been transferred to the Investor Education & Protection Fund.

Here below are the proposed dates for transfer of the unpaid dividend to IEPF by the Company.

Financial Year	Date of declaration	Proposed date for transfer to IEPF*	Amount (` in Lakhs) lying unpaid as on 31.03.2022
2014-2015	14-08-2015	13-09-2022	20.49
2015-2016	26-07-2016	25-08-2023	19.33
2016-2017	03-08-2017	02-08-2024	10.15
2017-2018	26-09-2018	30-10-2025	3.35
2018-2019	17-09-2019	21-10-2026	2.97
**2019-2020	-	-	Not Applicable
2020-2021	06-08-2021	10-09-2028	5.21
Total amount lying unpaid as on 31st March, 2022			**61.50**

* Indicative dates, actual dates may vary.
** In the financial year 2019-20 the Company had not declared dividend.

o) NECS Facilities

The Company uses National Electronic Clearing Services (NECS) for remitting dividend to shareholder wherever available. NECS operates on new and unique bank account number allotted by the banks post implementation of Core Banking Solutions (CBS). Members are requested to provide their new account number allotted to them by their irrespective banks after implementation of CBS to the Company in case shares are held physically and to the depository participants in respect of shares held by them in dematerialized form.

p) Unclaimed Shares

At the beginning of the year as on 1st April, 2021 aggregate 63,005 Nos. (Sixty Three Thousand Five Only) Equity Shares of ` 2/- each was lying unclaimed in Elecon Engineering Company Limited - Unclaimed Suspense Account. During the year under review, No Claims has been received by the Company and total 11,370 Nos. (Eleven Thousand Three Hundred and Seventy Only) Equity Shares of ` 2/- was transferred to IEPF authority demat account pursuant to IEPF rules. The Closing balance of Unclaimed Suspense Account as on 31st March, 2022 was 51,635 Nos. (Fifty One Thousand Six Hundred and Thirty Five Only) Equity Shares of ` 2/- each and the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

q) Transfer of Unclaimed Equity Shares to Investor Education and Protection Fund (IEPF) Authority

Pursuant to the provisions of Sections 124 and 125 of the Companies act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, ("Rules") all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF after complying with the procedure laid down under the Rules.

The Company is compliance with the aforesaid provisions and the Rules made thereunder, transferred total 88,407 number of equity shares of 221 folios of which dividends had remained unpaid or unclaimed for a period of seven consecutive years or more, to the demat account of IEPF Authority.

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

r) **Plant Locations** : **Works**

1. Gear Division
Anand-Sojitra Road, Vallabh Vidyanagar - 388 120, Gujarat
2. Material Handling Equipment Division
Anand-Sojitra Road, Vallabh Vidyanagar - 388 120, Gujarat

Address of Regd. Office : Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120. Gujarat.

Internet Website : www.elecon.com

Address for Correspondence:

The Shareholders may address their communications/suggestions/grievances/queries to:

Smt. Bharti Isarani
Company Secretary & Compliance Officer
Elecon Engineering Company Limited
Anand-Sojitra Road, Vallabh Vidyanagar - 388 120, Tal. & Dist. Anand (Gujarat)
Tel No. (02692) 227109, 230166, Fax No. (02692) 227020, 227484,
Email address : investor.relations@elecon.com

6. **Credit Rating**

Following is the list of credit ratings obtained by the Company from Brickwork Ratings India Private Limited (BWR) during the Financial Year 2021-22:

Instrument Details	Amount (` in Crores)		Previous Rating (September, 2020)	Current Rating (September, 2021)
	Previous	Present		
Fund Based Working Capital	315.13	235.50	BWR A - (Pronounced as BWR A Minus) (Outlook : Negative)	BWR A - (Pronounced as BWR A Minus) (Outlook : Stable)
Non-Fund Based Working Capital	622.00	499.00		
Total Amount	**937.13**	**734.50**		

For Non-Convertible Debenture:

Instrument Details	Amount (` in Crores)		Previous Rating (September, 2020)	Current Rating (September, 2021)
	Previous	Present		
Non-Convertible Debenture	97.14	NIL	BWR A - (Pronounced as BWR A Minus) (Outlook : Negative Reaffirmed)	Company had voluntarily redeemed the NCD's on 31st August, 2021, hence the rating was not required.

7. COMPLIANCE WITH MANDATORY / DISCRETIONARY REQUIREMENTS

During the year, the Company has fully complied with the mandatory requirements as stipulated in Listing Agreement and Listing Regulations.

The status on the compliance with the discretionary requirements as specified in Listing Regulations and Part E of Schedule II of Listing Regulations is as under:

- **The Board**

  The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company, since the Chairman of the Company is an Executive Director.

- **Shareholders rights**

  The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.

- **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer**

  The Company has not adopted the said discretionary requirement.

- **Modified opinion(s) in audit report**

  The Company's Standalone & Consolidated Financial Statements for the financial year ended on 31st March, 2022 are with unmodified audit opinion.

- **Reporting of Internal Auditor**

  Internal Auditors report to the Audit Committee, Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

8. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has in place a policy for prevention of sexual harassment at the work place in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the above Act.

The following is the summary of sexual harassment complaints received and disposed off during the current financial year:

1. Number of Complaints received : Nil
2. Number of Complaints disposed off : Nil

9. **Debenture Trustee**

During the year under review, the Company had voluntarily redeemed the 1000, 12.25% Senior, Secured, Rated, Redeemable, Listed Non-Convertible Debentures on Private Placement basis as on 31st August, 2021 and also delisted the same from BSE Limited (the designated stock exchange for said NCDs). The details of Debenture Trustee are as under:

VISTRA ITCL (INDIA) LIMITED
The IL&FS Financial Centre, Plot C-22, G - Block, Bandra Kurla Complex,
Bandra East, Mumbai - 400 051.
Tel: +91 22 2659 3219
Fax: +91 22 2653 3297
Contact Person: Mr. Jatin Chonani
E-mail: itclcomplianceofficer@vistra.com
SEBI Reg No.: IND000000578

10. **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.**

Details relating to fees paid to the Statutory Auditors are given in Note 32 to the Standalone Financial Statements and Note 33 to the Consolidated Financial Statements.

During the year under review, there is no payment made to the entities in the network firm/network entity of which the statutory auditors are a part.

11. **The disclosures of the compliance with corporate governance requirements specified in Regulations 17 to 27 and Regulation 46(2)**

Regulation No.	Particulars	Compliance Status (Yes or No)
17	Board of Directors	Yes
17A	Maximum Number of Directorships	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of the Company	Yes
24A	Secretarial Audit	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management, Key Managerial Persons, Directors and Promoters	Yes

Regulation No.	Particulars	Compliance Status (Yes or No)
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

Pursuant to the SEBI ((Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, the Constitution of Risk Management Committee has been mandatory for top 1000 Listed Companies as per market capitalization as on 31st March, 2022. However, the same has been re-constituted in compliance of the recent amendments and Regulation 21 being applicable to the Company.

12. **Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

During the period under review, it is not applicable to the Company.

CERTIFICATE ON COMPLIANCE WITH MANDATORY REQUIREMENTS OF CORPORATE GOVERNANCE

To,
The Members,
Elecon Engineering Company Limited
Vallabh Vidyanagar - 388 120.
Dist. Anand, Gujarat.

We have examined the compliance of the conditions of Corporate Governance by **Elecon Engineering Company Limited** (CIN: L29100GJ1960PLC001082) for the year ended on **31st March, 2022** as stipulated in Regulation 34(3) read with Para C and E of Schedule-V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanation given to us, the Company has complied with the conditions of the Corporate Governance as stipulated Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) read with Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that in respect of investor grievance received during the year ended on **31st March, 2022**, no investor grievances are pending/unattended against the Company as per records maintained by the Company and presented to the Stakeholders Relationship Committee of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

For **Kiran Vaghela & Associates**
Company Secretaries

Kiran Vaghela
Proprietor
C. P. No. : 18617
ICSI's UDIN : A039229D000318431

Place : Anand
Date : 3rd May, 2022

DECLARATION

To,
The Members,
Elecon Engineering Company Limited
Vallabh Vidyanagar - 388 120.

I, Prayasvin B. Patel, Chairman and Managing Director of the Company, do hereby declare that all members of the Board of Directors (Including Independent Directors) and Senior Management Personnel of the Company have affirmed to exercise their authorities and powers and discharged their duties and functions in accordance with the requirement of the Code of Conduct as prescribed by the Company and have adhere to the provisions of the same, for the financial year ended on 31st March, 2022.

For, Elecon Engineering Company Limited,

Prayasvin B. Patel
Chairman & Managing Director
DIN : 00037394

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

To,
The Board of Directors
Elecon Engineering Company Limited
Vallabh Vidyanagar – 388 120

We the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Elecon Engineering Company Limited ("the Company") to the best of our knowledge and belief, certify that:

(a) We have reviewed financial statements and the cash flow statement for the financial year ended on 31st March, 2022 and that to the best of our knowledge and belief:

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended on 31st March, 2022, which are fraudulent, illegal or violate of the Company's Code of Conduct or ethics policy.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee-

  (i) there are no significant changes in internal control over financial reporting during the financial year ended on 31st March, 2022;

  (ii) there are no significant changes in accounting policies during the financial year ended on 31st March, 2022 and that the same have been disclosed in the notes to the financial statements; and

  (iii) there are no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Elecon Engineering Company Limited,

Prayasvin B. Patel	**Narasimhan Raghunathan**
Chairman & Managing Director	Chief Financial Officer

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

INDEPENDENT AUDITORS' REPORT

To,
The Members of
ELECON ENGINEERING COMPANY LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Elecon Engineering Company Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2022, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Key Audit Matters

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

Sr. No.	The key audit matter	Auditor's Response
1.	**Expected credit loss on trade receivables.** Evaluation of trade receivables for impairment requires exercise of judgement and involves consideration of various factors. These factors include customer's ability and willingness to pay the outstanding amounts, past due receivables, financial and economic difficulties of customers; This assessment is done for each group of customers resulting from possible defaults over the expected life of the receivables. Based on this assessment, credit loss rate is determined in provision matrix. The credit loss rate is based on the experience of actual credit losses over past years adjusted to reflect the current economic conditions and forecasts of future economic conditions. Based on such credit loss rate, the Company records expected credit loss (ECL) allowance for trade receivables. In view of this, we have considered measurement of ECL on trade receivables (including retention monies) as a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient and appropriate audit evidence: • Evaluating the accounting policy for impairment of trade receivables in terms of the relevant accounting standard, • Testing the design, implementation and operating effectiveness of the Company's key internal financial controls. These controls relate to measurement of ECL on trade receivables. Evaluated monitoring related to credit control, collection of trade receivables, follow up for past due amounts and for identification and recognition of corresponding impairment losses, • For a sample of past due receivables, selected on the basis of risk, ageing and volume, we examined the ageing of receivables, impairment losses provided/ reversed during the year and compared them to historical experience, • Evaluating the Company's assessment regarding credit worthiness of such customers and identification of the credit impaired customers; • Balance confirmation requests were circulated to some of the customers, selected basis random sampling, • We evaluated the historical credit loss experience, current observable data and forward-looking outlook as prescribed in the relevant accounting standard, • Assessing the adequacy of the related disclosures in the standalone financial statements with reference to the relevant accounting standards.

INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

Year Ended 31st March, 2022

Key Audit Matter (Contd...)

Sr. No.	The key audit matter	Auditor's Response
2.	**Related party transactions** The Company has undertaken several transactions with its related parties. These include sale of goods, purchase of goods and availing services from related parties. We identified related party transactions as a key audit matter due to significance of related party transactions, regulatory compliances and risk of such transactions remaining undisclosed in the financial statements.	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient and appropriate audit evidence: • Obtained and read the Company's policies, processes and procedures in respect of identifying related parties, obtaining approval, recording and disclosure of related party transactions. • Read minutes of shareholder meetings, board meetings and audit committee meetings regarding Company's assessment of related party transactions being in the ordinary course of business at arm's length. • Tested, on a sample basis, related party transactions with the underlying contracts, confirmations and other supporting documents. • Verified the related party information disclosed in the financial statements with the underlying supporting documents, on a sample basis.
3.	**IT systems and controls over financial reporting.** We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, specifically with respect to revenue and raw material consumption. Also, due to large transaction volumes and the increasing challenge to protect the integrity of the Company's systems and data, cyber security has become more significant. Automated accounting procedures and IT environment controls, which include IT governance, IT general controls over program development and changes, access to program and data and IT operations, IT application controls and interfaces between IT applications are required to be designed and to operate effectively to ensure accurate financial reporting.	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient and appropriate audit evidence: • Assessed the complexity of the IT environment through discussion with the IT team and identified IT applications that are relevant to our audit. • Assessed the design and evaluation of the operating effectiveness of IT general controls over program development and changes, access to program and data and IT operations. • Performed inquiry procedures with the IT team of the Company in respect of the overall security architecture and any key threats addressed by the Company in the current year. • Assessed the design and evaluation of the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company; • Assessed the operating effectiveness of controls relating to data transmission through the different IT systems to the financial reporting systems.

Information other than the Standalone Financial Statement and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to that Board's Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements, consolidated financial statement and our auditor's report thereon.

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

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position,

INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

Year Ended March 31, 2022

financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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.

INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS
Year Ended March 31, 2022.

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

Other Matters

1. The audited standalone financial statements for the year ended 31st March, 2021 included in these financial statements are based on the previously issued financial statements of the Company prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of Companies Act, 2013. Those audited financial statements prepared under Ind AS were audited by the predecessor auditor, whose audit report dated 27th May, 2021 expressed an unmodified opinion on those financial results.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flows Statement dealt with by this Report are in agreement with the relevant books of account.

    (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

    (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 Financial Statements. (Refer Note No. - 40 to the Standalone Financial Statements)

    ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on, long term contracts including derivative contracts. (Refer Note No.- 23 to the standalone financial statements)

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

    iv. i. The Management has represented, that, to the best of its knowledge and belief, no funds (Which are

INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

Year Ended March 31, 2022.

material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii. The Management has represented, that, to the best of its knowledge and belief, no funds (Which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. The final dividend paid by the company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in note 16.2 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuring Annual General Meeting. The dividend declared is in accordance with section 123 of the Act, to the extent it applies to declaration of dividend.

For C N K & Associates LLP
Chartered Accountants
Firm's Registration No: 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 037391
ICAI UDIN : 22037391AIICPP9779

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 'Report on Other Legal and Regulatory Requirements' of our report of even date.

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in normal course of audit, we state that:

I. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipments and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) The company has a programme of physical verification of its Property, Plant and Equipment, investment property and right-of-use assets so by which all the items are verified in a phased manner over a period of three years. In accordance with this programme, the Company has physically verified certain Property, Plant and Equipments during the year and the discrepancies were not material and have been properly dealt with in the books of account.

c) On the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, Except the following:

Description of property	Gross carrying value held (` In Lakhs)	Title deeds held in name of	Whether promoter, director or their relative or employee	Period held since which date	Reason for not being held in name of company
Survey No.79/P, 82/P1, 94/9, 99/1P, 100P, 108/P4, Naransari, Bhachau, Kutch	37.23	Veer Energy & Infrastructure Limited	No	August 29, 2008	Mutation Pending
Survey No.79/P, Naransari, Bhachau, Kutch	4.65	Veer Energy & Infrastructure Limited	No	July 14, 2009	Mutation Pending

d) The company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

e) Based on our verification of the documents provided to us and according to the information and explanations given by the Management, the Company does not have any proceedings initiated or pending as at 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

II. (A) The physical verification of inventory except goods-in-transit has been verified by the management during the year. The discrepancies noticed on verification between the physical stocks and the books records were not material and have been properly dealt in the books of account.

(B) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate during the year from various banks on the basis of security of current assets. The discrepancies in quarterly filed returns or statements with the books of accounts are mentioned in **Note 17** to the standalone financial statements.

III. The Company has made investment in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:

(a) The Company has provided unsecured loan and Guarantee during the year and details of which are as follow.

	Unsecured Loan	Guarantees
Aggregate amount granted/Provided during the year: - Subsidiary - Joint Ventures - Associate - Others	 - ` 869.31 - Not Applicable - Not Applicable - Not Applicable	 - ` 4,285.65 - Not Applicable - Not Applicable - Not Applicable

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT - MARCH 31, 2022 (Contd...)

	Unsecured Loan	Guarantees
Balance outstanding as at balance sheet date in respect of above cases - Subsidiary - Joint Ventures - Associate - Others	 - ` 869.31 - Not Applicable - Not Applicable - Not Applicable	 - ` 4,285.65 - Not Applicable - Not Applicable - Not Applicable

(b) In our opinion, the investment made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

(c) The repayment of principal and payment of interest is as stipulated and the same are regular;

(d) In respect of loans granted by the company, in respect of the aforesaid loan, there is no amount which is overdue for more than ninety days.

(e) No loan granted by the company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause 3(iii)(f) is not applicable.

IV. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act 2013 in respect of loans granted, investment made, and guarantee and securities provided, as applicable.

V. The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence reporting under clause 3(v) of the order is not applicable.

VI. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed 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. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

VII. In respect of statutory dues:

a) In our opinion, the company has been generally regular in depositing undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Sales tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2022 for a period of more than six months from the date they became payable:

b) Details of statutory dues referred to above which have not been deposited as on 31st March, 2022 on account of disputes are given below:

Sr. No.	Name of the statute	Nature of dues	Amounts (`)	Amount paid under protest	Period to which amount relates	Forum where the dispute is pending
1.	Finance Act, 1944	Service tax including penalty	2,809.99	250.88	2009 to 2014	CESTAT Ahmedabad
2.	Finance Act, 1944	Service tax including penalty	1,869.12	-	November 2014 to June 2017	Gujarat High court
3.	Finance Act, 1944	Service tax including penalty	1,041.96	86.72	2013 to 2016	Central Excise Commissioner (Appeals) Vadodara
4.	Finance Act, 1944	Central excise and Service tax including penalty	135.50	-	July 2017 to December 2017	Gujarat High court

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT - MARCH 31, 2022 (Contd...)

5	West Bengal Value Added Tax	Value Added Tax	347.05	-	2010-2011	CIT (Appeals)
6	Income Tax Act, 1961	Tax including interest	3,733.81	1,824.95	AY 2009-10, AY 2013-14 to 2018-19	CIT (Appeals) Vadodara
7	Income Tax Act, 1961	Income tax	-	333.94	AY 2012-13	ITAT (Ahmedabad)

VIII. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;

IX. a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b) The Company is not a declared wilful defaulter by any bank or financial institution or other lender.

c) On an examination of the records of the company, We report that the funds of term loans have been utilised for the purpose for which the loans were obtained;

d) We report that the company has not raised any funds on short term basis. Accordingly, reporting under this clause is not applicable.

e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) We report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.

X. a) No moneys were raised by way of initial public offer or further public offer (including debt instruments) during the year hence reporting under this clause is not applicable to Company;

b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or operationally convertible) during the year.

XI. (a) No fraud by the Company and no material fraud on the company has been noticed or reported during the year.

(b) No report under Sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report;

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

XII. The Company is not a Nidhi Company and hence reporting under clause (xiii) of the Order is not applicable.

XIII. The Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties.

XIV. (a) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business;

(b) We have considered report of the internal auditors for the period under audit; issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures.

XV. The Company has not entered into non-cash transactions with the directors or persons connected with its directors. Hence, the provisions of Section 192 of the Act are not applicable;

XVI. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under Clause 3 (xvi) (a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3 (xvi) (d) of the Order is not applicable.

XVII. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year;

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT - 31ST MARCH, 2022 (Contd...)

XVIII. There has been no resignation of the statutory auditors of the Company during the year;

XIX. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date; We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

XX. (a) The Company is not required to transfer unspent amount to a fund specified in Schedule VII to the Companies Act for other than ongoing projects. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year;

(b) The Company has not spent amount towards Corporate Social Responsibility (CSR) on ongoing project. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For C N K & Associates LLP
Chartered Accountants
Firm's Registration No: 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 037391
ICAI UDIN : 22037391AIICPP9779

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the internal financial controls over financial reporting of **Elecon Engineering Company Limited** ("the Company") as of 31st March, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an internal financial controls with reference to standalone financial statements of the Company and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI 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 financial statements of the company were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS (Contd...)

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

For C N K & Associates LLP
Chartered Accountants
Firm's Registration No: 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 037391
ICAI UDIN : 22037391AIICPP9779

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

STANDALONE BALANCE SHEET
as at 31st March, 2022

(` in Lakhs)

Particulars	Notes	March 31, 2022	March 31, 2021
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	52,317.76	54,706.63
(b) Capital work-in-progress	3	15.40	30.96
(c) Investment property	4	2,534.67	2,547.00
(d) Right of Use Assets	3	3,753.67	3,840.57
(e) Other Intangible assets	5	187.84	299.97
(f) Financial assets			
(i) Investments	6	11,853.56	11,865.28
(ii) Loans	7	869.31	-
(iii) Other financial assets	8	186.57	1,047.55
(g) Income tax assets (net)	9	2,292.53	2,020.33
(h) Other non-current assets	10	935.56	1,175.17
Total non-current assets		**74,946.87**	**77,533.46**
II. Current assets			
(a) Inventories	11	18,041.60	17,610.95
(b) Financial assets			
(i) Trade receivables	12	37,908.89	46,688.78
(ii) Cash and cash equivalents	13	1,413.14	1,594.15
(iii) Bank balances other than (ii) above	13	2,494.88	3,466.41
(iv) Loans	7	-	881.53
(v) Other financial assets	8	6,800.91	19,605.94
(c) Other current assets	14	1,928.41	2,809.39
Total current assets		**68,587.83**	**92,657.15**
Total assets		**143,534.70**	**170,190.61**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	15	2,244.00	2,244.00
(b) Other equity	16	88,510.73	79,692.54
Total equity		**90,754.73**	**81,936.54**
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1,966.29	11,615.40
(ii) Lease liabilities	20	452.36	1,640.51
(b) Non-current provisions	18	912.55	336.63
(c) Deferred tax liabilities (net)	35	2,760.09	2,999.11
Total non-current liabilities		**6,091.29**	**16,591.65**

STANDALONE BALANCE SHEET (Contd...)
as at 31st March, 2022

(` in Lakhs)

Particulars	Notes	March 31, 2022	March 31, 2021
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	8,035.46	10,913.56
(ii) Lease liabilities	20	1,207.27	1,107.26
(iii) Trade payables	19		
- Total outstanding dues of micro and small enterprises		3,092.46	4,367.94
- Total outstanding dues of creditors other than micro and small enterprises		18,349.44	31,793.04
(iv) Other financial liabilities	21	808.46	3,993.36
(b) Other current liabilities	22	11,008.23	15,469.39
(c) Current provisions	23	2,213.96	2,466.69
(d) Current tax liabilities (net)	24	1,973.40	1,551.18
Total current liabilities		**46,688.68**	**71,662.42**
Total liabilities		**52,779.97**	**88,254.07**
Total equity and liabilities		**143,534.70**	**170,190.61**

The accompanying notes form an integral part of the standalone financial statements. 2 - 47

As per our report of even date attached

For CNK & Associates LLP
Chartered Accountants
Firm's Registration No : 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No: 037391

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

For and on behalf of the Board of Directors,
Elecon Engineering Company Limited
CIN: L29100GJ1960PLC001082

Prayasvin Patel
Chairman & Managing Director
DIN : 00037394

Dr. Sonal V. Ambani
Director
DIN : 02404841

Narasimhan Raghunathan
Chief Financial Officer

Bharti Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS
for the year ended 31st March, 2022

(` in Lakhs)

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	25	88,442.47	79,609.68
Other income	26	955.67	1,105.75
Total income (I)		**89,398.14**	**80,715.43**
Expenses			
Cost of materials consumed	27	44,891.61	31,963.54
Changes in inventories of finished goods and work-in-progress	28	(3,130.64)	4,358.86
Manufacturing expense and erection charges	29	8,096.57	7,305.22
Employee benefits expense	30	5,850.09	6,367.93
Finance costs	31	3,191.74	5,426.89
Depreciation and amortisation expense	3,4 & 5	3,825.19	4,231.33
Other expenses	32	14,312.33	15,233.48
Total expenses (II)		**77,036.89**	**74,887.25**
Profit before tax (I - II)		**12,361.25**	**5,828.18**
Tax expense	35		
Current tax		2,850.00	-
Adjustment of tax relating to earlier periods		123.37	-
Deferred tax		(163.90)	2,201.69
Total tax expense		**2,809.47**	**2,201.69**
Profit for the period from continuing operations		**9,551.78**	**3,626.49**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plans		(359.91)	112.42
Income tax related to items that will not be reclassified to profit or loss		75.12	(28.30)
Other comprehensive income (net of tax) for the year		**(284.79)**	**84.12**
Total comprehensive income for the year		**9,266.99**	**3,710.61**
Earnings per equity share	34		
Equity Share of face value ` 2/- each			
Basic		8.51	3.23
Diluted		8.51	3.23
The accompanying notes form an integral part of the standalone financial statements.	2-47		

As per our report of even date attached

For CNK & Associates LLP
Chartered Accountants
Firm's Registration No : 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No: 037391

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

For and on behalf of the Board of Directors,
Elecon Engineering Company Limited
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Bharti Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY
for the year ended 31st March, 2022

A. Equity Share Capital

(1) Current reporting period

(` in Lakhs)

Particulars	Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
Equity share capital	2,244.00	-	2,244.00	-	2,244.00

(2) Previous reporting period

(` in Lakhs)

Particulars	Balance as at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
Equity share capital	2,244.00	-	2,244.00	-	2,244.00

B. Other Equity

(1) Current reporting period

(` in Lakhs)

Particulars	Reserves & Surplus					Total
	Capital Reserve	Debenture Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	
Balance as at April 1, 2021	4,941.84	2,500.00	2,878.14	44,132.78	25,239.78	**79,692.54**
Restated balance as at April 1, 2021	**4,941.84**	**2,500.00**	**2,878.14**	**44,132.78**	**25,239.78**	**79,692.54**
Remeasurements of post-employment benefit obligation, (Net of Tax) accounted through Other comprehensive income	-	-	-	-	(284.79)	**(284.79)**
Profit for the year	-	-	-	-	9,551.78	**9,551.78**
Total comprehensive income for the year	-	-	-	-	**9,266.99**	**9,266.99**
Dividends	-	-	-	-	(448.80)	**(448.80)**
Transfer to retained earnings	-	(2,500.00)	-	-	2,500.00	-
Balance as at March 31, 2022	**4,941.84**	-	**2,878.14**	**44,132.78**	**36,557.97**	**88,510.73**

(2) Previous reporting period

(` in Lakhs)

Particulars	Reserves & Surplus					Total
	Capital Reserve	Debenture Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	
Balance as at April 1, 2020	4,941.84	2,500.00	2,878.14	44,132.78	21,529.17	**75,981.93**
Restated balance as at April 1, 2020	**4,941.84**	**2,500.00**	**2,878.14**	**44,132.78**	**21,529.17**	**75,981.93**
Remeasurements of post-employment benefit obligation, (Net of Tax) accounted through Other comprehensive income	-	-	-	-	84.12	**84.12**
Profit for the year	-	-	-	-	3,626.49	**3,626.49**
Total Comprehensive Income for the year	-	-	-	-	**3,710.61**	**3,710.61**
Balance as at March 31, 2021	**4,941.84**	**2,500.00**	**2,878.14**	**44,132.78**	**25,239.78**	**79,692.54**

For description of reserves Refer Note 16

The accompanying notes form an integral part of the consolidated financial statements. (2-47)

As per our report of even date attached

For C N K & Associates LLP
Chartered Accountants
Firm's Registration No : 101961 W/W - 100036

For and on behalf of the Board of Directors,
Elecon Engineering Company Limited
CIN: L29100GJ1960PLC001082

Himanshu Kishnadwala
Partner
Membership No: 037391

Prayasvin Patel
Chairman & Managing Director
DIN : 00037394

Dr. Sonal V. Ambani
Director
DIN : 02404841

Narasimhan Raghunathan
Chief Financial Officer

Bharti Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31st March, 2022

(` in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from operating activities		
Profit before Tax	**12,361.25**	**5,828.18**
Adjustments for:		
(i) Depreciation and amortisation expense	3,825.19	4,231.33
(ii) Finance costs	3,191.74	5,426.89
(iii) (Gain)/loss on fair valuation of investment	11.72	(57.41)
(iv) Loss on sold/discarded of property, plant and equipments (net)	461.60	27.11
(v) Interest income	(201.71)	(214.16)
(vi) Dividend income	(47.94)	(344.68)
(vii) Increase/(Decrease) in ECL provision	1,351.69	4,056.13
(viii) Unrealised exchange (gain) / loss	(158.14)	(319.81)
(ix) Provision for other contractual liabilities, warranty and others	448.49	495.30
(x) Increase/(reversal) of provision for onerous contract	(98.09)	145.78
(xi) Liabilities written-back	(92.52)	(113.22)
	21,053.28	**19,161.44**
Working Capital Adjustments		
(Increase)/Decrease in trade receivables	7,477.85	5,180.64
(Increase)/Decrease in inventories	(430.65)	5,224.56
(Increase)/Decrease in financial assets	13,686.01	(3,620.80)
(Increase)/Decrease in other current and non-current assets	1,112.81	1,352.74
(Decrease)/Increase in trade payables	(14,518.06)	(9,242.51)
(Decrease)/Increase in provisions, current and non-current liabilities	(4,848.28)	3,243.43
(Decrease)/Increase in other financial liabilities	(2,938.89)	592.11
Cash generated from operations	**20,594.07**	**21,891.61**
Tax refund (net of taxes paid)	(2,823.35)	57.92
Net cash (used in)/generated from operating activities (A)	**17,770.72**	**21,949.53**
Cash flow from investing activities		
Payments for purchase of property, plant and equipment	(1,924.05)	(377.63)
Proceeds from sale of property, plant and equipment	253.16	126.58
Interest received	201.71	203.26
Dividend received	47.94	341.09
(Increase)/Decrease in bank balances not considered as cash and cash equivalent (net)	971.53	(1,967.94)
Proceeds from redemption of investments	-	107.29
Net cash (used in)/generated from investing activities (B)	**(449.71)**	**(1,567.35)**
Cash flow from financing activities		
Repayments of non-current borrowings	(9,649.78)	(1,847.05)
(Repayment)/Proceeds of current borrowings (net) (Note 4)	(2,877.43)	(11,443.40)
Repayment against other financial arrangements	(1,062.03)	(944.04)
Finance cost paid	(3,437.86)	(5,022.39)
Dividend paid (including dividend distribution tax)	(448.80)	(13.71)
Principal payment of lease liabilities	(26.11)	(39.24)
Net cash (used in)/generated from financing activities (C)	**(17,502.01)**	**(19,309.83)**
Net decrease in cash and cash equivalents (A+B+C)	**(181.01)**	**1,072.35**
Cash and cash equivalents at beginning of the year (Refer Note 13)	**1,594.15**	**521.80**
Cash and cash equivalents at the end of the period (Refer Note 13)	**1,413.14**	**1,594.15**

STANDALONE STATEMENT OF CASH FLOWS (Contd...)
for the year ended 31st March, 2022

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Components of cash & cash equivalents :		
Cash on hand	0.26	0.26
Balances with banks		
- In current accounts	617.87	1,572.89
- Cheques on hand	-	21.00
- In deposit account (with original maturity up to 3 months)	795.01	-
	1,413.14	**1,594.15**

Notes:

1. Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.
2. The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows
3. In accordance with para 22 of Ind AS 7 - Statement of Cash Flows, cash flows from current borrowings have been reported on net basis since these being working capital facilities, the maturities are short.
4. Movement in liabilities arising from financing activities as at 31st March, 2022:

(` in Lakhs)

Particulars	Borrowings	Lease liabilities	Dividends paid (including taxes)	Finance costs
Balance at the beginning of the year	22,528.96	2,747.77	-	286.70
Repayment of borrowings/liabilites	(12,527.21)	(1,088.14)	-	-
Dividends paid (including taxes)	-	-	(448.80)	-
Interest paid	-	-	-	(3,437.86)
Net cash outflows	**10,001.75**	**1,659.63**	**(448.80)**	**(3,151.16)**
Charge to statement of profit and loss	-	-	-	3,191.74
Balance at the end of the year	**10,001.75**	**1,659.63**	**-**	**40.58**

As per our report of even date attached

For CNK & Associates LLP
Chartered Accountants
Firm's Registration No : 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No: 037391

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

For and on behalf of the Board of Directors,
Elecon Engineering Company Limited
CIN: L29100GJ1960PLC001082

Prayasvin Patel
Chairman & Managing Director
DIN : 00037394

Dr. Sonal V. Ambani
Director
DIN : 02404841

Narasimhan Raghunathan
Chief Financial Officer

Bharti Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31st March, 2022

1. **Reporting entity**

Elecon Engineering Company Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE') in India. The registered office of the Company is located at Anand-Sojitra Road, Vallabh Vidyanagar, Gujarat.

The Company is involved in the design and manufacturing of Material Handling Equipment and Industrial Gears and also involved in providing erection and commissioning solutions for its products.

2. **Basis of preparation**

2.1 **Statement of compliance**

Standalone financial statements of the Company comprises, the standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (herein referred to as "Standalone financial statements"). These standalone financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Details of the Company's accounting policies are included in Note 2.5.

2.2 **Basis of measurement**

The standalone financial statements have been prepared on the historical cost basis except for the following:

Particulars	Measurement basis
Investments in certain equity shares of entities other than subsidiaries and associates	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

2.3 **Use of estimates and judgments**

In preparing these standalone financial statements, the Company's management ('the Management") has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- **Note 6** - identification of whether the Company has significant influence over an investee where the shareholding is below 20% of the issued share capital.
- **Note 4** - identification of the land &/or building as an investment property.
- **Note 6 –** determining the amount of Impairment loss.
- **Note 36** - determining the amount of expected credit loss on financial assets (including trade receivables).
- **Note 25 and 2.5 m** - identification of performance obligation in revenue recognition.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustments is included in the following notes:

- **Note 3-5 –** estimate of useful life used for the purposes of depreciation and amortisation on property plant and equipment, investment properties and intangible assets.
- **Note 35 –** recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- **Note 39 –** measurement of defined benefit obligations: key actuarial assumptions;
- **Notes 18, 23 and 40 –** recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31st March, 2022

- **Note 36 –** impairment of financial and non-financial assets.
- **Note 23 and 43 –** Revenue recognition based on percentage of completion and provision for onerous contracts.
- **Note 3 and 20 -** Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

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

2.4 Measurement of fair values

Some of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- **Note 4** – investment property;
- **Note 36** – financial instruments.

2.5 Significant accounting policies

a) Business combinations

Business combinations (other than common control business combinations).

In accordance with Ind AS 103, the Company accounts for these business combinations using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment (see Note 2.5 (j)). Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquire. Such amounts are generally recognised in the statement of profit and loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31st March, 2022

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity.

Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the statement of profit and loss or OCI, as appropriate.

b) Operating cycle

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has considered the operating cycle as the life of the project for project related assets and liabilities and for rest of the assets and liabilities it has been considered as 12 months.

c) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit and loss.

d) Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

Financial assets - classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- FVOCI – Equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis. At present there are no such investments.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses for financial assets held by the Company

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

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Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss. Presently, all the financial liabilities are measured at amortised cost.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments

The Company uses derivative financial instruments, such as foreign exchange forward contracts to manage its exposure to foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

e) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

Subsequent measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

The estimate of the useful life of the assets has been assessed based on technical advice which considers 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, etc. Details of useful life considered for depreciation along with method of depreciation are provided below:

- Plant and Machineries are depreciated on Straight Line Method (SLM) as per the estimated useful life of the asset: 5 to 35 years.
- Buildings are depreciated on Written Down Value Method (WDV) as per the estimated useful life of the asset: 10 to 60 years

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- In respect of all other PPE, depreciation is provided on WDV as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The Management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of assets and outstanding at each balance sheet date are disclosed as "Other Non-Current Assets".

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The consequential gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the statement of profit and loss.

f) Capital Work-In-Progress.

Projects under construction wherein assets are not ready for use in the manner as intended by the management are shown as Capital.

g) Intangible assets

Internally generated: Research and development and software development

Expenditure on research activities is recognised in statement of profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in the statement of profit and loss as incurred.

Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets

Other intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is calculated to amortise the cost of intangible assets over their estimated useful lives (6 years) using the straight-line method and is included in depreciation and amortisation in Statement of profit and loss.

Amortisation method, useful lives and residual values are reviewed at the end of each reporting date and adjusted if appropriate.

h) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model. Investment property includes freehold/leasehold land and building.

Depreciation

Based on technical evaluation, the Management believes a period of 25-60 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Company depreciates investment properties over this period on a straight-line basis. This is different from the indicative useful life of relevant type of assets mentioned in Schedule II to the Companies Act 2013.

Any gain or loss on disposal of an investment property is recognised in statement of profit and loss.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use

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and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the period in which the property is derecognized.

i) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on Weighted Average Cost basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost basis.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on Weighted Average Cost basis.
- **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realisable value is made on an item-by-item basis.

j) Impairment

Impairment of financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being significantly past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Under the simplified approach, the Company is not required to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected credit losses ('ECL") together with appropriate Management's estimate of credit loss at each reporting date, from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the group of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfall (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or

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sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the assets of the CGU (or group of CGUs) on a pro rata basis.

Assets (other than goodwill) for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

k) Employee benefits

Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company makes specified monthly contributions towards government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense/ (income) on the net defined benefit liability/ (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/ (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

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When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in the statement of profit and loss in the period in which they arise.

Termination benefits

Termination benefits are expensed through statement of profit and loss at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring.

l) Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and all possible outcomes by their associated probabilities.

The Company provides normal warranty provisions for general repairs for 18 months from date of material dispatched or 12 months from commissioning whichever is earlier on all its products sold, in line with the industry practice. A liability is recognised at the time the product is sold. The Company does not provide any extended warranties to its customers.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

m) Revenue recognition

Sale of goods and services

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer, which generally coincides with the delivery of goods to customers, based on contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers.

Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers.

Revenue from services rendered is recognised when services are rendered.

Construction contracts

Performance obligations with reference to construction contracts are satisfied over the period of time, and accordingly, revenue from such contracts is recognized based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs in certain contracts or for other contracts is determined using output method. Revenue is the transaction price that the Company is entitled to. Variable consideration such as liquidated damages and price variation are included in the transaction price, if it is highly probable that the

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significant reversal of revenue will not occur once associated uncertainty is resolved. Variation in contract work and other claims are included to the extent that the amount can be measured reliably and it is agreed with customer.

Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognized in the period in which estimates are revised.

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in statement of profit and loss.

Performance Obligations

If a contract contains more than one distinct goods and service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices.

Rental income

Rental income from investment property is recognised as part of revenue from operations in statement of profit and loss on a straight-line basis over the term of the lease.

Dividend and Interest income:

Dividend income from investments is recognised when the Company's right to receive payment is established.

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Insurance claim:

Insurance claims are recognised on the basis of claims admitted / expected to be admitted, to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

Export Incentives:

Export benefits available under prevalent schemes are accounted to the extent considered receivable.

Other Income:

Other income is comprised primarily of gain / loss on investments, exchange gain/loss on foreign currency transactions, discount income and other income.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer e.g. unbilled revenue. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset i.e. unbilled revenue is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

n) Leases

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the company by the end of the lease term or the cost of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following: fixed payments, including in-substance fixed payments;

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a Purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

o) Income taxes

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent it relates to a business combination, or items recognised directly in equity or in OCI.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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The measurement of deferred tax 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.

p) **Borrowing cost**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

q) **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. For the disclosure on reportable segments see Note 41.

r) **Cash and cash equivalents**

Cash and cash equivalents comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

s) **Investments in subsidiaries and associates**

The Company has elected to recognise its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, *Separate Financial Statements.*

t) **Contingent Assets**

Contingent Assets are not recognised in the financial statements.

u) **Contingent Liabilities**

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by the future events not wholly within the control of *the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.*

v) **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from the operating, investing and financing activities of the Company are segregated. In the cash-flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in liabilities on the balance sheet.

w) **The Dividend Distribution to equity shareholders:**

The Holding Company recognises 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 Holding Company. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in other equity along with any tax thereon.*

x) **Earnings per share**

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Holding Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board *of Directors.*

NOTES TO STANDALONE FINANCIAL STATEMENTS
for the year ended 31st March, 2022

2.6 Recent pronouncements

The following standards / amendments to standards have been issued and will be effective from 1st April 2022. The Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

- **Indian Accounting Standard (Ind AS) 103 – Business Combinations** – Qualifications prescribed for recognition of the identifiable assets acquired and liabilities assumed, as part of applying the acquisition method – should meet the definition of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework) issued by the ICAI at the acquisition date.

  Modification to the exceptions to recognition principle relating to contingent liabilities and contingent assets acquired in a business combination at the acquisition date.
- Indian Accounting Standard (Ind AS) 109 – Financial Instruments – Modification in accounting treatment of certain costs incurred on derecognition of financial liabilities
- Indian Accounting Standard (Ind AS) 16 - Property, Plant and Equipment – Modification in treatment of excess of net sale proceeds of items produced over the cost of testing as part of cost of an item of property, plant, and equipment.
- Indian Accounting Standard (Ind AS) 37 - Provisions, Contingent Liabilities and Contingent Assets – Modifications in application of recognition and measurement principles relating to onerous contracts

NOTES TO STANDALONE FINANCIAL STATEMENTS
as at 31st March, 2022

3 : Property, Plant and Equipment

(` in Lakhs)

Particulars	Land	Buildings	Plant & Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Electrical Installations & fittings	Sundry Equipments	Total	Capital work in progress
Cost										
As at April 1, 2020	**27,453.32**	**7,257.16**	**43,342.36**	**661.01**	**699.10**	**1,270.10**	**1,648.54**	**307.86**	**82,639.45**	**18.17**
Additions	-	68.91	125.22	2.05	-	138.92	16.25	-	351.35	364.14
Deductions	-	-	(260.18)	-	(204.83)	(2.64)	-	-	(467.65)	-
Capitalised	-	-	-	-	-	-	-	-	-	(351.35)
As at March 31, 2021	**27,453.32**	**7,326.07**	**43,207.40**	**663.06**	**494.27**	**1,406.38**	**1,664.79**	**307.86**	**82,523.15**	**30.96**
Additions	-	27.73	1,680.72	-	11.93	116.87	93.53	-	1,930.78	1,915.22
Deductions	(21.07)	(11.90)	(1,312.32)	(392.64)	(324.94)	(353.77)	(125.66)	(280.79)	(2,823.09)	-
Recoupment/Adjustment	-	(1.62)	(1,776.27)	16.65	25.94	8.54	(954.00)	(25.03)	(2,705.79)	-
Capitalised	-	-	-	-	-	-	-	-	-	(1,930.78)
As at March 31, 2022	**27,432.25**	**7,340.28**	**41,799.53**	**287.07**	**207.20**	**1,178.02**	**678.66**	**2.04**	**78,925.05**	**15.40**
Accumulated depreciation										
As at April 1, 2020	**-**	**3,369.92**	**16,987.77**	**503.38**	**512.71**	**1,056.33**	**1,461.25**	**278.40**	**24,169.76**	
Depreciation for the year	-	481.59	3,220.57	38.08	44.12	115.17	54.89	6.29	3,960.71	
Deductions	-	-	(156.85)	-	(154.86)	(2.25)	-	-	(313.96)	
As at March 31, 2021	**-**	**3,851.51**	**20,051.49**	**541.46**	**401.97**	**1,169.25**	**1,516.14**	**284.69**	**27,816.52**	
Depreciation for the year	-	391.56	3,027.79	26.47	11.09	105.41	42.48	1.66	3,606.46	
Deductions	-	(3.43)	(801.03)	(360.61)	(256.28)	(314.74)	(109.87)	(262.37)	(2,108.33)	
Recoupment/Adjustment	-	(16.70)	(1,762.78)	12.34	25.94	7.94	(951.83)	(22.27)	(2,707.36)	
As at March 31, 2022	**-**	**4,222.94**	**20,515.47**	**219.66**	**182.72**	**967.86**	**496.92**	**1.71**	**26,607.29**	
Carrying value (net)										
As at March 31, 2022	**27,432.25**	**3,117.34**	**21,284.06**	**67.41**	**24.48**	**210.16**	**181.74**	**0.33**	**52,317.76**	
As at March 31, 2021	**27,453.32**	**3,474.56**	**23,155.91**	**121.60**	**92.30**	**237.13**	**148.65**	**23.17**	**54,706.63**	

Notes :

1) Refer to Note 17 for information on property, plant and equipment pledged as security by the Company.
2) For capital commitments, refer Note 40 (b).

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NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

The following is the movement in Right of use Assets (ROU) during the year ended March 31, 2022

(` in Lakhs)

Particulars	Lease - Hold Land	Building	Plant & Equipments	Total
I. Cost				
As at April 1, 2020	**3,936.33**	**81.70**	**13.61**	**4,031.64**
Additions	-	43.49	-	43.49
Deduction	-	-	-	-
As at March 31, 2021	**3,936.33**	**125.19**	**13.61**	**4,075.13**
Addition during the year	-	-	9.35	9.35
Deduction	-	(48.82)		(48.82)
Recoupment/Adjustment		(19.41)	(0.01)	(19.42)
As at March 31, 2022	**3,936.33**	**56.96**	**22.95**	**4,016.24**
II. Accumulated Depreciation				
As at April 1, 2020	**71.30**	**42.02**	**3.90**	**117.22**
Depreciation for the year	71.31	41.14	4.89	117.34
As at March 31, 2021	**142.61**	**83.16**	**8.79**	**234.56**
Depreciation during the year	71.31	17.74	5.23	94.28
Deduction	-	(48.82)	-	(48.82)
Recoupment/Adjustment	-	(19.41)	1.96	(17.45)
As at March 31,2022	**213.92**	**32.67**	**15.98**	**262.57**
Carrying value (net) as at March 31, 2022	**3,722.41**	**24.29**	**6.97**	**3,753.67**
Carrying value (net) as at March 31, 2021	**3,793.72**	**42.03**	**4.82**	**3,840.57**

3A. Title Deeds of Immovable Properties not held in the name of the Company

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter /director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Property, Plant & Equipment	LAND					
	Survey No.79/P, 82/P1, 94/9, 99/1P, 100P, 108/P4, Naransari, Bhachau, Kutch.	37.23	Veer Energy & Infrastructure Ltd.	No	August 29, 2008	Mutation Pending.
	Survey No.79/P, Naransari, Bhachau, Kutch	4.65	Veer Energy & Infrastructure Ltd.	No	July 14, 2009	Mutation Pending.

NOTES TO STANDALONE FINANCIAL STATEMENTS
as at 31st March, 2022

3B. CWIP Ageing Schedule

(i) For the year ending March 31 2022.

(` in Lakhs)

CWIP as on March 31, 2022	Amount in CWIP				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	15.40	-	-	-	**15.40**

Note: There are no projects whose completion is overdue or has exceeded its cost.

(ii) For the year ending March 31 2021.

(` in Lakhs)

CWIP as on March 31, 2021	Amount in CWIP				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	29.92	-	-	1.04	**30.96**

Note: There are no projects whose completion is overdue or has exceeded its cost.

4. Investment property

(` in Lakhs)

Particulars	Land	Office Building	Total
Cost			
As at April 1, 2020	2,300.29	335.62	2,635.91
Additions	-	-	-
As at March 31, 2021	2,300.29	335.62	2,635.91
Additions	-	-	-
As at March 31, 2022	2,300.29	335.62	2,635.91
Depreciation and Impairment			
As at April 1, 2020	-	75.92	75.92
Depreciation for the year	-	12.99	12.99
As at March 31, 2021	-	88.91	88.91
Depreciation for the year	-	12.33	12.33
As at March 31, 2022	-	101.24	101.24
Carrying value (net)			
As at March 31, 2022	2,300.29	234.38	2,534.67
As at March 31, 2021	2,300.29	246.71	2,547.00

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

Information regarding income and expenditure of Investment Property

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year ended March 31, 2021
Rental income derived from Investment property	13.23	13.57
Direct operating expenses (including repairs and maintenance) generating rental income	1.05	1.04
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment property before depreciation and indirect expenses	**12.18**	**12.53**
Less : Depreciation	**12.33**	**12.99**
(Loss) arising from investment property before indirect expenses	**(0.15)**	**(0.46)**

Notes :

1) Refer Note 17 for information on Investment property pledged as security by the Company.
2) The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

4. Investment property (Contd...)

Fair value of the Investment property is as under:

(` in Lakhs)

Fair value	Land	Office Building
Balance as at April 1, 2020	**2,722.23**	**601.05**
Reclassified from property, plant and equipment	-	-
Fair value increase for the year	33.21	17.58
Purchases / (Sale)	-	-
Balance as at March 31, 2021	**2,755.44**	**618.63**
Fair value increase/(decrease) for the year	66.43	35.35
Purchases / (Sale)	-	-
Balance as at March 31, 2022	**2,821.87**	**653.98**

Estimation of fair value

As at 31st March, 2022 and 31st March, 2021 the fair values of the property are based on valuations performed by Registered Valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules 2017.

A valuation model used in determination of investment property fair values is in accordance with the recommended valuation techniques by the International Valuation Standards Committee.

The Company obtains independent valuations for its investment property at least annually. The best evidence of fair value is current prices in an active market for similar properties.

The valuation of investment property as at 31st March, 2022 and 31st March, 2021 is done based on market feedback on values of similar properties and hence considered under “”Level 2”” of fair value measurement.”

5. Intangible Assets

(` in Lakhs)

Particulars	Computer Software	Technical Knowhow -Acquired	Licenses	Total
Cost				
As at April 1, 2020	**1,064.08**	**42.68**	**381.71**	**1,488.47**
Additions	13.50	-	-	13.50
As at March 31, 2021	**1,077.58**	**42.68**	**381.71**	**1,501.97**
Additions	-	-	-	-
Recoupment / Adjustment	88.68	341.63	191.05	621.36
Deductions	(526.78)	(384.31)	(532.38)	(1,443.47)
As at March 31, 2022	**639.48**	**-**	**40.38**	**679.86**
Accumulated amortisation				
As at April 1, 2020	672.56	42.68	346.47	1,061.71
Amortisation for the year	127.57	-	12.72	140.29
As at March 31, 2021	**800.13**	**42.68**	**359.19**	**1,202.00**
Amortisation for the year	104.46	-	7.66	112.12
Recoupment / Adjustment	88.82	341.63	190.92	621.37
Deductions	(526.78)	(384.31)	(532.38)	(1,443.47)
As at March 31, 2022	**466.63**	**-**	**25.39**	**492.02**
Carrying value (net)				
As at March 31, 2022	**172.85**	-	**14.99**	187.84
As at March 31, 2021	**277.45**	-	**22.52**	**299.97**

Note :

1. Computer software consists of capitalised development costs of enterprise resource planning software being internally generated intangible assets.
2. There are no Intangible Assets under development as on 31st March 2022 and 31st March 2021.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

6. Non-Current Financial assets - Investments

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Investment in subsidiary companies (Fully paid-up) (at cost) - Unquoted (refer note 2.5(s))		
(a) 12,486,287 equity shares (March 31, 2021 : 12,486,287 equity shares) of GBP 1 each of Radicon Transmission UK Limited - United Kingdom	11,297.04	11,297.04
The Company has pledged NIL equity shares (March 31, 2021 : 12,486,287 equity shares) of Radicon Transmission UK Limited, United Kingdom with the Bank of Baroda, London towards security for repayment of loan.		
(b) 897,844 equity shares (March 31, 2021 : 897,844 equity shares) of S$ 1 each of Elecon Singapore Pte. Limited	247.60	247.60
(c) 600 equity shares (March 31, 2021 : 600 equity shares) of AED 1000 each of Elecon Middle East FZE	72.61	72.61
(A)	**11,617.25**	**11,617.25**
Investment in associates (Fully paid-up) (at cost) (refer note 2.5(s))		
Quoted		
(a) 958,426 equity shares (March 31, 2021 : 958,426 equity shares) of ` 10 each of Eimco Elecon (India) Limited	217.29	217.29
The Company has pledged NIL equity shares (March 31, 2021 : 476,000 equity shares) of Eimco Elecon (India) Limited, with the Bank of Baroda, London towards security for loan.		
200,000 equity shares (March 31, 2021 : 200,000 equity shares) of Eimco Elecon (India) Limited have been pledged for availing working capital demand loans. (Refer Note 17.3).		
(B)	**217.29**	**217.29**
Investments carried at fair value through profit and loss:		
Investment in equity shares		
(i) Unquoted		
(a) 200,000 equity Shares (March 31, 2021 : 200,000 equity shares) of ` 10 each of Eimco Elecon Electricals Limited.	15.40	22.10
(b) 30 equity shares (March 31, 2021: 30 equity shares) of ` 500 each of Charotar Gas Sahakari Mandali Limited #	0.15	0.15
(C)	**15.55**	**22.25**
Investment in mutual funds (mandatorily measured at FVTPL)		
Quoted		
(a) 637,047.49 units (March 31, 2021 637,047.49 units) of Aditya Birla Sunlife Medium Term Plan - Growth Regular Plan.	3.47	8.49
(D)	**3.47**	**8.49**
Total Investments (A+B+C+D)	**11,853.56**	**11,865.28**
Aggregate value of quoted investments (including investments in associates)	220.76	225.78
Aggregate market value of quoted investment (other than investments in associates)	3.47	8.49
Aggregate value of unquoted investments (including investments in subsidiaries and associates)	11,632.80	11,639.50

The Company's investments on disposal will fetch only the principal amount invested and hence the company considers cost and fair value to be the same.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

7. Financial asset - Loans

(` in Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Loans receivable unsecured - considered good				
Loans to related party	-	869.31	881.53	-
Total Loans	**-**	**869.31**	**881.53**	**-**

*Loan to related party represent loans given to wholly owned subsidiary - Radicon Transmission UK Limited, 3% ROI effective 1st Jan 2022 (Previous Year ROI LIBOR + 375 BPS).

Loans or Advances in nature of Loans to Related Parties

(` in Lakhs)

Particulars	For the year ending March 31, 2022		For the year ending March 31, 2021	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
Key Managerial Personnel	-	-	-	-
Related Parties-Wholly-owned Subsidiary	869.31	100.0%	881.53	100.0%

8. Financial asset - Other financial assets

(` in Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Unbilled revenue - Contract assets	6,314.06	-	19,136.47	-
Deposits with bank earmarked as margin money	-	186.57	41.99	1,047.55
Other receivables- Security Deposit	408.66	-	427.48	-
Accrued Interest on Fixed Deposit	78.19	-	-	-
Total other financial assets	**6,800.91**	**186.57**	**19,605.94**	**1,047.55**

Security deposits are primarily in relation to public utility services, tender deposits and rental properties.

9. Income tax assets (net)

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Income tax assets (net)	2,292.53	2,020.33
Less:		
Provision for income tax	-	-
Total income tax assets (net)	**2,292.53**	**2,020.33**

10. Other non-current assets

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Capital advances	64.68	242.13
Prepaid expenses	204.89	288.25
Balances with government authorities (including amount paid under protest)	665.99	644.79
Total other non-current assets	**935.56**	**1,175.17**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

11. Inventories

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
(At lower of cost and net realisable value)#		
Raw materials	4,355.06	6,600.00
Work-in-progress	9,126.97	6,322.43
Finished goods	2,018.81	1,315.53
Goods in transit	1,696.79	2,073.97
Stores and spares	843.97	1,299.02
Total inventories	**18,041.60**	**17,610.95**
Carring amount of inventories pledged as security for liabilities	**18,041.60**	**17,610.95**

#Aforesaid figures are disclosed net of inventory allowance aggregating to ` 1,249.57 lakhs (31st March, 2021: ` 1,609.64 lakhs).

12. Trade receivables

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Secured, considered good	-	-
Unsecured, considered good	38,964.87	47,902.09
Which have significant increase in credit risk	600.00	1,183.70
	39,564.87	**49,085.79**
Less : Allowance for expected credit loss*	(1,655.98)	(2,397.01)
Total Trade receivables	**37,908.89**	**46,688.78**
Receivables from related parties (Refer Note 38)	3,289.60	2,935.12
Receivables from others	34,619.29	43,753.66
Total	**37,908.89**	**46,688.78**

Allowance for expected credit loss

*Allowance for Expected Credit Loss is calculated based on the ECL model as described under Ind AS 109. Refer Note 2.5 and Note 36(b) for the Company's accounting policy and basis of calculating ECL allowance.

Movement in allowance for expected credit loss :

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	**2,397.01**	**9,759.78**
Add : Allowance for the year	1,195.99	392.52
Less : Reversal of allowance	(1,937.02)	(7,755.29)
Balance at the end of the year	**1,655.98**	**2,397.01**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

12A. Trade receivables (Current)

(1) For the year ending March 31 2022.

(` in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	18,567.21	5,770.41	986.42	1,723.50	856.86	7,723.54	**35,627.94**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good		4.97	30.61	14.31	61.80	3,225.24	**3,336.93**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	600.00	**600.00**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: ECL Provision							**(1,655.98)**
Total							**37,908.89**

Above includes retention money receivable amounting to ` 13,473.97 lakhs.

(2) For the year ending March 31, 2021.

(` in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	8,619.00	6,542.98	1,790.12	2,304.06	1,945.34	22,445.45	**43,646.96**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	53.88	2.35	13.03	61.80	130.16	3,993.90	**4,255.13**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	1,183.70	**1,183.70**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: ECL Provision							**(2,397.01)**
Total							**46,688.78**

Above includes retention money receivable amounting to ` 16,376.34 lakhs.

13. Cash and bank balances

(` in Lakhs)

	Particulars	March 31, 2022	March 31, 2021
(a)	Cash and Cash Equivalents		
	Balance with bank		
	Current accounts and debit balance in cash credit accounts	617.87	1,572.89
	Cheques on hand	-	21.00
	In deposit account (with maturity up to 3 months)	795.01	-
	Cash on hand	0.26	0.26
	Total cash and cash equivalents	**1,413.14**	**1,594.15**
(b)	Other bank balances		
	Deposits with bank earmarked as margin money	2,433.37	3,397.13
	Unpaid dividend accounts	61.51	69.28
	Total other bank balance	**2,494.88**	**3,466.41**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

14. Other current assets

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Advance to suppliers	470.30	1,195.72
Receivable from government authorities	634.46	549.70
Prepaid expenses	601.74	674.92
Others	221.91	389.05
Total other current assets	**1,928.41**	**2,809.39**

15. Equity share capital

Particulars	March 31, 2022		March 31, 2021	
	No. of Shares	` in Lakhs	No. of Shares	` in Lakhs
Authorised Share Capital				
Equity shares of ` 2 each	227,500,000	4,550.00	227,500,000	4,550.00
Cumulative Redeemable Preference Shares of ` 2 each	25,000,000	500.00	25,000,000	500.00
Non-cumulative non-convertible Redeemable Preference Shares of ` 100 each	12,750,000	12,750.00	12,750,000	12,750.00
	265,250,000	**17,800.00**	**265,250,000**	**17,800.00**
Issued, subscribed and fully paid up				
Equity shares of ` 2 each	112,199,965	2,244.00	112,199,965	2,244.00
Total equity share capital	**112,199,965**	**2,244.00**	**112,199,965**	**2,244.00**

15.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	March 31, 2022		March 31, 2021	
	No. of Shares	` in Lakhs	No. of Shares	` in Lakhs
At the beginning and at the end of the year	112,199,965	2,244.00	112,199,965	2,244.00

15.2 Rights, preferences and restrictions attached to the equity shares

The Company has only one class of Equity Shares having a par value of ` 2 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, which is approved by Board of Directors.

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

15.3 Number of Shares held by each shareholder holding more than 5% Shares in the Company

Name of the Shareholder	March 31, 2022		March 31, 2021	
	No. of shares	% of share-holding	No. of shares	% of share-holding
EMTICI Engineering Limited	26,337,818	23.47	26,337,818	23.47
Prayas Engineering Limited	12,230,414	10.90	12,230,414	10.90
K. B. Investments Private Limited	9,711,418	8.66	9,711,418	8.66
Bipra Investments & Trusts Private Limited	7,286,197	6.49	7,286,197	6.49

15.4 Aggregate number of equity shares allotted as fully paid up pursuant to contract without payment being received in Cash, Bonus Shares issued and shares bought back during the period of 5 years immediately preceding the financial year:-

Particulars	March 31, 2022	March 31, 2021
Equity shares allotted as fully paid up shares by virtue of schemes of arrangement pertaining to FY 2016-17	3,264,122	3,264,122

15.5 Number of Shares held by Promoters:

Sr. No.	Name of the Promoters/Promoter Group	No. of Shares held at the end of the year [As on 31-March-2022]		No. of Shares held at the end of the year [As on 31-March-2021]		% Change during the year
		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
1	Emtici Engineering Limited	26,337,818	23.47%	26,337,818	23.47%	-
2	Prayas Engineering Limited	12,230,414	10.90%	12,230,414	10.90%	-
3	K B Investments Private Limited	9,711,418	8.66%	9,711,418	8.66%	-
4	Bipra Investments & Trusts Private Limited	7,286,197	6.49%	7,286,197	6.49%	-
5	Elecon Information Technology Limited	2,868,481	2.56%	2,868,481	2.56%	-
6	Prayasvin Bhanubhai Patel	1,962,932	1.75%	1,962,932	1.75%	-
7	Akaaish Mechatronics Limited	1,919,849	1.71%	1,864,849	1.66%	0.049%
8	Trupti Pradip Patel	1,431,058	1.28%	1,431,058	1.28%	-
9	Devkishan Investments Private Limited	1,290,814	1.15%	1,290,814	1.15%	-
10	Akansha Prayasvin Patel	618,470	0.55%	615,220	0.55%	0.003%
11	Bhanubhai I Patel-HUF (Bhanubhai Patel-Karta)	227,490	0.20%	227,490	0.20%	-
12	Taruna Prayasvin Patel	218,917	0.20%	206,517	0.18%	0.011%
13	Speciality Woodpack Private Limited	184,332	0.16%	184,332	0.16%	-
14	Wizard Fincap Limited	184,332	0.16%	184,332	0.16%	-
15	Power Build Private Limited	15,960	0.01%	15,960	0.01%	-
16	Aishwarya Prayasvin Patel	5,220	0.00%	2,220	0.00%	0.003%
17	Aakaaish Investments Private Limited*	-	0.00%	-	0.00%	-
18	Lotus Trust*	-	0.00%	-	0.00%	-
	Total holding of Promoters and Promoter Group	**66,493,702**	**59.26%**	**66,420,052**	**59.20%**	-

*Ultimate beneficiary.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

16. Other Equity

16.1 Other reserves

(` in Lakhs)

Balance	General Reserve	Debenture Redemption Reserve	Securities Premium	Capital Reserve	Retained Earnings	Total
As at April 1, 2020	44,132.78	2,500.00	2,878.14	4,941.84	21,529.17	75,981.93
Total comprehensive income for the period						
Profit for the year	-	-	-	-	3,626.49	3,626.49
Remeasurements of post-employment benefit obligation, (net of tax) accounted through other comprehensive income	-	-	-	-	84.12	84.12
Balance available for appropriation	44,132.78	2,500.00	2,878.14	4,941.84	25,239.78	79,692.54
Less : Appropriations						
Dividend paid	-	-	-	-	-	-
Tax on dividend paid	-	-	-	-	-	-
As at March 31, 2021	44,132.78	2,500.00	2,878.14	4,941.84	25,239.78	79,692.54
Profit for the year	-	-	-	-	9,551.78	9,551.78
Remeasurements of post-employment benefit obligation, (net of tax) accounted through other comprehensive income	-	-	-	-	(284.79)	(284.79)
Balance available for appropriation	44,132.78	2,500.00	2,878.14	4,941.84	34,506.77	88,959.53
Less : Appropriations						
Transferred to Retained Earnings (on redemption of Debentures during the year)	-	(2,500.00)	-	-	2,500.00	-
Transfer during the year	-	-	-	-	-	-
Dividend paid	-	-	-	-	(448.80)	(448.80)
As at Mar 31, 2022	44,132.78	-	2,878.14	4,941.84	36,557.97	88,510.73

16.2 Dividend distribution made and proposed

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Dividends on equity shares declared and paid		
Final dividend for year ended March 31, 2021: ` 0.40 per share (March 31, 2020: ` NIL per share)	448.80	-
	448.80	**-**
Proposed dividends on Equity shares		
Final dividend proposed for the year ended March 31, 2022: ` 1.40 per share (March 31, 2021: ` 0.40 per share)	1,570.80	448.80
	1,570.80	**448.80**

Proposed dividend on equity shares is subject to approval at the Annual General Meeting and is not recognised as a liability as at 31st March, 2022.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

16.3 Description of Reserves

Securities Premium

General Reserve represents appropriation of retained earnings and are available for distribution to shareholders.

Debenture Redemption Reserve

The Company has created Debenture Redemption Reserve out of the profits of the Company @ 25% of non-convertible redeemable debentures. On redemption of debentures during the year the said Reserve has been transferred to Retained Earnings.

Securities Premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Capital Reserve

a) Capital reserve amounting to ` 4,258.41 lakhs is recorded in bargain purchase transaction of business combination in which the fair value of acquired net assets exceeded the purchase consideration. Capital reserve is not available for dividend distribution.

b) Capital Reserve amounting to ` 683.43 lakhs represent difference between book value of the net assets and reserves of Elecon Transmission International Limited ('ETIL') and investment in equity shares of Elecon Transmission International Limited.

Retained Earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

17. Borrowings

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Non-current borrowings (Secured)		
Non-convertible redeemable debentures (Refer Note 17.1 (a) and 17.3 (a) and (b))	-	9,840.05
Term Loans		
From financial institutions (Refer Note 17.2 (a) and (c) ,17.3 (a) and (c))	-	1,988.65
From Non Banking Financial Company (Refer Note 17.2 (b) and (c), 17.3 (a) and (c))	1,976.23	-
	1,976.23	**11,828.70**
Less : Accrued interest	9.94	213.30
Total non-current borrowings	**1,966.29**	**11,615.40**
Current borrowings (Secured)		
Working capital loan		
From banks (Refer Note 17.3 (c))	7,456.10	9,038.20
Current maturities of non-current borrowings		
- Non-convertible redeemable debentures	-	571.43
- Term loans from financial institutions	610.00	1,377.33
	8,066.10	**10,986.96**
Less : Accrued interest	30.64	73.40
Total current borrowings	**8,035.46**	**10,913.56**
Total borrowings	**10,001.75**	**22,528.96**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

17.1 Nature of Securities for non-convertible redeemable debentures

a) Non-convertible redeemable debentures are secured by way of :-

1. Exclusive charge over Madhubhan resort owned by Emtici Engineering Limited at Vallabh Vidyanagar, Gujarat.
2. Corporate Guarantee of Emtici Engineering Limited to the extent of ` 15,000 Lakhs.
3. Residual charge over current asset and property, plant and equipment of the Company.
4. First exclusive charge over Debt Service Reserve Account.
5. Post dated cheques for interest and principal payments from the Company and Undated cheques from Emtici Engineering Limited.
6. Exclusive charge over certain land parcels of the Company at Vallabh Vidyanagar.

17.2 Nature of Securities for Term Loans

a) Term Loans from financial institution - Loan from IFCI Limited is secured by way of:-

1. Exclusive charge by way of hypothecation on specific plant and machineries.
2. Exclusive mortgage of commercial property of Emtici Engineering Limited located at office No. 21, Yashwant Apartment, Pune -411004 and Corporate Guarantee of Emtici Engineering Limited to the extent of ` 9,500 Lakhs.
3. Pledge of shares of the Company owned by Emtici Engineering Limited of 0.7 times of outstanding loan amount.
4. Post dated cheques for interest and principal payments.

b) Term Loans from financial institution - Loan from Bajaj Finance Limited is secured by way of:-

1. Exclusive charge by way of hypothecation on specific plant and machineries.
2. Exclusive mortgage to be executed of commercial property of Emtici Engineering Limited (EEL), Related party located at office No. 21, Yashwant Apartment, Pune - 411004 and Corporate Guarantee of Emtici Engineering Limited to the extent of ` 3,500 Lakhs.
3. Pledge of 7500 Lakhs shares of the Company owned by EEL.
4. Debt Service Reserve Account of ` 80 Lakhs in form of Fixed Deposit.

c) Rate of Interests for loans from banks & financial institutions

Name of the bank:	Interest Rate %	
	March 31, 2022	March 31, 2021
IFCI Limited	12.00%	12.00%
Tata Capital Financial Services Limited	-	11.70%
Bajaj Finance Limited	8.75%	-

17.3 Terms of repayment of non-converrtible redeemable debentures, term loans and other loans

a) Non-convertible redeemable debentures and term loans*

(` in Lakhs)

Lender	March 31, 2022	March 31, 2021	Terms of Repayment
(i) Non convertible redeemable debentures - Series I	-	571.43	Repayable in quarterly instalments of ` 142.86 Lakhs from August 2020 till February 2022.
(ii) Non convertible redeemable debentures - Series II	-	9,000.00	Repayable in quarterly instalments of ` 1,125.00 Lakhs from May 2022 till February 2024.
(iii) IFCI Limited	-	3,400.00	Repayable in quarterly instalments amounting to ` 250.00 Lakhs from quarter ending Dec'20 and ` 350.00 Lakhs from quarter ending Mar'21.
(iv) Bajaj Finance Limited	2,592.50	-	Repayable in 20 quarterly instalments amounting to ` 152.50 Lakhs.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

2,592.50	12,971.43

*excluding accrued interest and amortised cost. Including current maturity of non-current borrowings.

During the previous year, the company had prepaid its Non-Convertible Debentures (Series I and II) from internal accruals.

The Management periodically reviews compliance with terms and conditions of existing loan agreements to identify any non-adherence at each reporting date and obtains confirmations from the respective lenders on existing terms and conditions basis which borrowings are disclosed as current and non-current at each reporting date. Pursuant to such periodical review, the management has obtained confirmations from respective lenders on continuance of existing terms and conditions.

b) **Maturity profile and rate of interest of non-convertible redeemable debentures are set out as below*:**

Effective Rate of Interest	2023-24	2022-23	2021-22
Series - I 14.50%, Series II - 17.42%	4,500.00	4,500.00	571.44

*excluding accrued interest and amortised cost. Including current maturity of non-current borrowings.

Borrowing at amortised cost is disclosed in note 37 of the standalone financial statement.

c) **Nature of Securities {Loans repayable on demand}**

i) Working Capital Loans from banks granted by Consortium of Banks consisting of State Bank of India (As Lead Bank), Bank of Baroda, Axis Bank, IDBI Bank & HDFC Bank (Including guarantees issued by them in favour of various clients of the Company) are secured by:-

a) First pari passu hypothecation charge over all the current assets of the Company, present and future.

b) Extension of first pari passu mortgage / hypothecation charge over property, plant and equipment (movable and immovable) present and future, excluding certain assets specifically / exclusively charged to other banks/ financial institutions.

c) Registered mortgage, on first pari passu basis, of land bearing Survey No.365 & 366 in the name of Prayas Engineering Limited (PEL), a related party.

d) Pledge of 200,000 shares of Eimco Elecon (India) Limited, an associate Company held by the Company.

e) Undertaking for non disposal of various land parcels of the Company as per loan sanction letter.

f) Corporate guarantees of PEL and EEL to the extent of ` 96,450 Lakhs respectively.

g) Rate of Interest for Loan from banks

Name of the bank:	Interest Rate %	
	March 31, 2022	March 31, 2021
State Bank of India	5.75% to 9.50%	7.60% to 9.95%
Bank of Baroda	9.35% to 9.65%	9.25% to 12.00%
IDBI Bank Ltd.	6.40% to 10.30%	10.00% to 12.25%
Axis Bank Ltd.	0.92% to 10.25%	4.99% to 10.95%
HDFC Bank Ltd.	6.75% to 9.90%	9.70% to 10.10%

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

Borrowings secured against Current Assets (` in Lakhs)

Quarter ended	Name of Bank	Details of security provided	Amount as per Books	Amount reported in quarterly returns	Amount of Difference	Reasons for material discrepancies*
June 2021	Consortium of Banks led by State Bank of India	Inventory	17,202.54	17,259.18	(56.64)	None
		Receivables	45,197.45	45,186.77	10.68	
September 2021		Inventory	17,655.14	17,742.63	(87.49)	
		Receivables	40,838.47	40,829.89	8.58	
December 2021		Inventory	18,165.40	18,252.76	(87.36)	
		Receivables	35,098.30	35,216.80	(118.50)	
March 2022		Inventory	18,041.60	18,224.65	(183.05)	
		Receivables	37,908.89	38,575.82	(666.93)	

*Considered upto 5% of amount reported in Quarterly Returns.

18. Non-current provisions

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Provision for employee benefits		
Provision for compensated absences (Refer Note - 39)	84.55	124.63
Provision for warranty	828.00	212.00
Total non-current provisions	**912.55**	**336.63**

19. Trade payables

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Total outstanding dues of micro and small enterprises	3,092.46	4,367.94
Total outstanding dues of creditors other than micro and small enterprises	18,349.44	31,793.04
Total trade payables	**21,441.90**	**36,160.98**
Dues to related parties (Refer Note - 38)	312.66	4,159.30
Dues to third parties	21,129.24	32,001.68
	21,441.90	**36,160.98**

Includes retention money payable to creditors amounting to ` 381.86 lakhs (March 31, 2021 - ` 2,364.87 lakhs).

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

Details of Dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Principal amount remaining unpaid to any supplier as at the period end	3,092.46	4,367.94
Interest due thereon	-	-
The amount of payment made to supplier beyond appointed date	23,706.20	13,466.67
Interest paid thereon	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the Company's management, dues to Micro, Small and Medium Enterprises (MSME) have been determined to the extent such parties have been identified on the basis of information collected till the reporting date and has been relied upon by the Statutory Auditors, basis the underlying information and records available as at the reporting date, identified MSME parties provided their written consent to the Company for waiver of interest due to them (if any) under the provisions of the MSMED Act. Consequently, the Management has not provided for interest due (if any) to these MSME parties. The disclosures as required by Section 22 of the MSMED Act are given above.

19A. Trade payables (Current)

(1) For the year ending March 31, 2022.

(` in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2,875.13	64.33	39.93	107.03	6.05	3,092.47
(ii) Others	13,713.31	4,257.48	103.99	186.00	36.78	18,297.56
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	51.88	51.88
Total	**16,588.44**	**4,321.81**	**143.92**	**293.03**	**94.71**	**21,441.90**

(2) For the year ending March 31, 2021.

(` in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2,247.19	845.35	993.86	116.84	164.68	4,367.93
(ii) Others	11,925.70	15,788.75	841.61	577.79	2,607.32	31,741.17
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	51.88	51.88
Total	**14,172.89**	**16,634.10**	**1,835.47**	**694.63**	**2,823.88**	**36,160.98**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

20. Lease Liabilities

(` in Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Lease Liabilities (For Rental properties)	14.00	22.51	45.90	17.39
Other financing arrangements (For Equipments)	1,193.27	429.85	1,061.36	1,623.12
Total lease liabilities	**1,207.27**	**452.36**	**1,107.26**	**1,640.51**
Non-current			452.36	1,640.51
Current			1,207.27	1,107.26
Total			1,659.63	2,747.77

*Nature of Securities and other terms for other financing arrangement :

1. Repayable in equated monthly installment of ` 110.11 lakhs starting from August 2019 over a period of 4 years @11.77% rate of interest and for balance 4 years repayable in equated monthly installment of ` 0.001 lakhs.
2. Secured by way of an unconditional and irrevocable bank guarantee of ` 3,364.48 lakhs expiring on August 31,2023.

21. Other financial liabilities - current

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Interest accrued but not due on borrowings	40.58	195.41
Interest accrued but due on borrowings	-	91.29
Security deposits	151.23	138.55
Unpaid dividend*	61.51	69.28
Billing in excess of revenue - Contract liability	554.98	666.83
Accrued contractual liability	-	2,832.00
Liability on account of Forex Derivative	0.16	-
Total other financial liabilities - current	**808.46**	**3,993.36**

*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

22. Other Current liabilities

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Advance from customers	10,200.13	14,317.34
Statutory dues	808.10	1,152.05
Total other current liabilities	**11,008.23**	**15,469.39**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

23. Current provisions

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Provision for employee benefits (Refer Note - 39)		
Provision for gratuity (Funded)	66.74	23.79
Provision for compensated absences	82.11	112.19
Other Provisions		
Provision for contract liabilities	1,336.84	1,810.93
Provision for warranty	634.81	328.23
Provision for onerous contracts	93.46	191.55
Total provisions	**2,213.96**	**2,466.69**

Movement in Provisions:

(` in Lakhs)

Particulars	Provision for indirect tax matters	Provision for contract liabilities	Provision for Warranty	Provision for Onerous contract
Carrying amount as at March 31, 2020	103.35	1,284.79	467.71	45.77
Provision made / increase in provision	-	526.14	540.23	2,054.82
Provision amount used during the year	(103.35)	-	(467.71)	(1,909.04)
Provision amount reversed during the year	-	-	-	-
Carrying amount as at March 31, 2021	-	**1,810.93**	**540.23**	**191.55**
Provision made / increase in provision	-	-	1,462.81	934.50
Provision amount used during the year	-	(474.09)	(540.23)	(1,032.59)
Carrying amount as at March 31, 2022	-	**1,336.84**	**1,462.81**	**93.46**

Refer 2.5(I) of significant accounting policies.

Provision for contract liabilities - It includes provision for possible levy of liquidated damages and other estimated costs expected to be incurred by the Company on account of potential delays in meeting the contractual obligations of the Company with regard to agreed deliveries/commissioning.

Provision for warranty - A provision for warranties relates mainly to standard warranty on sale of the products manufactured by the Company. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities. The timing of the outflows is expected to be within a period of one year from the date of balance sheet.

Provision for onerous contracts - The Company has entered into various contracts primarily into material handling. Provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. The movement of onerous contracts is recognised in cost of material consumed (Refer Note 27).

24. Current tax liabilities (net)

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Provision for tax (net of advance tax)	1,973.40	1,551.18
Total current tax liabilities (net)	**1,973.40**	**1,551.18**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

25. Revenue from operations

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sale of products (Refer Note 43)		
Transmission equipment sales		
Local	63,619.35	53,042.85
Export sales	9,549.72	11,173.40
Material handling equipment		
Local	12,419.28	12,780.91
Export sales	91.26	72.14
	85,679.61	**77,069.30**
Sale of Services		
Erection and commissioning charges	1,762.35	1,688.67
	1,762.35	**1,688.67**
Other operating revenue		
Sale of scrap	875.65	487.35
Export incentives	124.86	364.36
	1,000.51	**851.71**
Total revenue from operations	**88,442.47**	**79,609.68**

26. Other Income

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest income		
- on deposits	157.94	139.26
- on income tax	-	35.51
- on loan given and others	43.77	39.39
Dividend income		
- From Subsidiaries and Associates	47.92	47.92
- From Others	0.02	296.76
Gain on fair valuation of investments (net)	-	57.41
Foreign exchange gain (net)	-	88.42
Rent income	237.47	150.95
Liabilities written-back	92.52	113.22
Bad debts previously written off, now recovered / advance written back	264.76	26.69
Insurance claim receipt	6.07	7.82
Commission on Corporate Guarantee	69.32	88.05
Miscellaneous income	35.88	14.35
Total other income	**955.67**	**1,105.75**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

for the year ended 31st March, 2022

27. Cost of materials consumed

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Inventory at the beginning of the year	6,600.00	7,324.95
Add : Purchases during the year	42,646.67	31,238.59
	49,246.67	**38,563.54**
Less : Inventory at the end of the year	4,355.06	6,600.00
Total cost of material consumed	**44,891.61**	**31,963.54**

28. Changes in inventories of finished goods and work-in-progress

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(Increase) / decrease in inventories		
Opening work-in-progress	6,322.43	10,808.54
Closing work-in-progress	(9,126.97)	(6,322.43)
	(2,804.54)	**4,486.11**
Opening finished goods	3,389.50	3,262.25
Closing finished goods	(3,715.60)	(3,389.50)
	(326.10)	**(127.25)**
Total changes in inventories of finished goods and work-in-progress	**(3,130.64)**	**4,358.86**

29. Manufacturing expense and erection charges

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Stores, tools and spares consumed	2,079.68	1,335.52
Sub-contracting charges	3,075.73	3,310.51
Power and fuel (Net)	802.15	782.83
Erection and other charges	961.33	916.15
Other manufacturing expenses	1,177.68	960.21
Total manufacturing expense and erection charges	**8,096.57**	**7,305.22**

30. Employee benefits expense

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries, wages and bonus	5,372.06	5,921.19
Contribution to provident fund and other funds (Refer Note - 39)	224.77	263.02
Employee welfare expenses	253.26	183.72
Total employee benefit expenses	**5,850.09**	**6,367.93**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

for the year ended 31st March, 2022

31. Finance costs

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest expenses*		
Interest on term loans	288.91	521.76
Interest on non-convertible redeemable debentures	956.00	1,648.53
Interest on working capital	999.88	2,079.62
Interest - others (including interest on leases)	288.78	420.61
Other borrowing costs (including guarantee charges)	658.17	756.37
Total finance cost	**3,191.74**	**5,426.89**

Note :

*Interest expense are calculated under the effective interest method which is measured at amortized cost.

32. Other expenses

(` in Lakhs)

Particulars		Year Ended March 31, 2022	Year Ended March 31, 2021
Rent (Refer Note 44.2)		1,346.78	1,224.33
Computer software maintenance charges		867.50	645.38
Rates and taxes		122.32	92.82
Settlement claim		-	735.05
Repairs and maintenance :			
- Building		160.67	70.04
- Machinery		1,654.20	1,500.68
- Others		26.64	19.40
Insurance expense		173.06	202.11
Travelling, communication and conveyance expenses		315.25	210.59
Directors sitting fees		14.85	10.25
Commission to non-executive directors		42.00	30.00
Packing, forwarding and distribution expenses (Net of recoveries)		2,243.81	1,590.93
Commission and brokerage		2,942.70	2,868.55
Warranty claims (Refer Note 23)		1,129.76	811.26
Bad debts written off	2,092.72		
Provision on doubtful debt written back (Refer Note 12)	(741.03)	1,351.69	4,056.13
Bank charges		75.57	52.62
Advertisements and sales promotion expenses		19.73	14.95
Payment to auditors*			
(a) As auditor - Audit fees		21.00	27.50
(b) For other services (Limited review, certification etc.)		18.15	28.65
(c) Out of pocket expenses		1.89	2.50
Loss on fair valuation of investments (Net)		11.72	-
Loss on sale/discard of property, plant and equipments (Net)		461.60	27.11
Donations		0.75	3.42
Expenditure on corporate social responsibility (Refer Note - 33)		129.65	22.04
Legal and professional fees		401.08	405.42
Loss on Foreign currency transactions (Net)		80.88	-
Loss on derivative financial instrument		0.16	-
Miscellaneous expenses		698.92	581.75
Total other expenses		**14,312.33**	**15,233.48**

*Including ` 14.24 lakhs paid to previous auditors.

(i) Research and development expenditure accounted through statement of profit and loss aggregates ` 245.70 lakhs (31st March, 2021: ` 218.97 lakhs).

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

33. Corporate social responsibility expenditure

(` in Lakhs)

	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(a)	Amount of CSR required to be spent as per the limits of Section 135 of companies Act, 2013	56.92	21.45
(b)	Amount spent during the year	129.65	22.04
(c)	Shortfall at the end of the year.	-	-
(d)	Total of Previous Year Shortfall	-	72.23
(e)	Reason for shortfall	Not Applicable	***
(f)	Nature of CSR activity	*	*
(g)	Details of Related party transaction**	129.65	22.04
(h)	where a provision is made with respect to a liability incurred by entering into a contactual obligation, the movement in the provision during the year	Not Applicable	Not Applicable

*Promoting education and healthcare.

** Represents contribution to B.I. Patel Trust and I.B. Patel Trust towards promoting education and healthcare related activities.

***The shortfall of CSR activity was pertaining to FY 2017-18 and FY 2019-20. It was mainly due to liquidity issues during the said financial year.

34. Earnings per share

(` in Lakhs, except per share data)

	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
	Basic & Diluted Earning Per Share (EPS)		
a)	Profit attributable to equity shareholders of the Company (` in Lakhs)	9,551.78	3,626.49
b)	Weighted average number of equity shares outstanding during the year*	112,199,965	112,199,965
c)	Earning per share (Basic and Diluted)	8.51	3.23
d)	Face value per share	2.00	2.00

*Outstanding number of shares as at the opening and closing balance is same.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

35. Tax expenses

The major component of income tax expense for the years ended 31st March, 2022 and 31st March, 2021 are : (` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Statement of Profit and loss		
Current tax	2,850.00	-
Adjustment of tax relating to earlier periods	123.37	-
Deferred tax charge / (credit)	(163.90)	2,201.69
Income tax expense reported in the Statement of Profit and Loss	**2,809.47**	**2,201.69**
Other comprehensive income		
Deferred tax charge / (credit) on remeasurements losses of defined benefit plans	(75.12)	28.30
Total tax expense	**2,734.35**	**2,229.99**

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2022 and March 31, 2021:

A) Current tax (` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Profit before tax	12,361.25	5,828.18
Statutory income tax rate	25.168%	34.944%
Tax using the Company's statutory tax rate	3,111.08	2,036.60
Tax effects of :		
Tax exempt income	20.75	8.90
Tax at special rate	(11.96)	(8.56)
Other non-deductible expenses (net)	3.50	(6.62)
Reversal of deferred liability on indexation of land (Refer Note (i) below)	(8.66)	(18.17)
Rate change adjustments on account of Taxation Laws (Amendment) Ordinance 2019	-	217.84
Effect of Deferred Tax liability on loss	(90.83)	-
Reversal of deferred liablity on long term capital loss (not in business income)	(18.70)	-
Income tax expense of earlier years	123.37	-
Effect of difference of Deferred Tax liability on Written Down Value	(437.53)	-
Effect of rounding off	43.33	-
	(376.73)	**193.39**
Tax expense	**2,734.35**	**2,229.99**

Notes:-

(i) At the time of transition to Indian Accounting Standards (Ind AS) with effect from April 01, 2015, the Company had recognised the fair value of its land parcels in the books of account and had also recognised corresponding deferred tax liability considering the future tax obligation that would arise upon sale of land in the expected manner in future (sale of land parcels on a piecemeal basis, delinked from the business).

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

for the year ended 31st March, 2022

B. Deferred tax

(` in Lakhs)

Particulars	Balance as on March 31, 2020	Acounted through Statement of Profit and loss and OCI	Balance as on March 31, 2021	Acounted through Statement of Profit and loss and OCI	Balance as on March 31, 2022
Depreciation for tax purposes	(4,982.19)	1,157.94	(3,824.25)	942.08	(2,882.17)
Impact of fair valuation of financial assets	(806.88)	18.17	(788.71)	9.22	(779.49)
Deferred tax on fair value of investments	(8.93)	8.74	(0.19)	(1.79)	(1.98)
Provision for doubtful debt (including allowance for Expected Credit Losses)	3,327.21	(2,723.87)	603.34	(186.52)	416.82
Expenditure allowable on payment basis	323.59	(275.75)	47.84	(116.89)	(69.05)
Expenditure allowable on realised basis	15.99	32.21	48.20	(24.69)	23.51
Deferred tax on unabsorbed depreciation	35.93	173.13	209.06	(209.07)	(0.01)
Reversal of deferred liablity on long term capital loss (not in business income)	-	-	-	18.70	18.70
Deferred tax on other financing arrangement	1,267.95	(592.26)	675.69	(267.14)	408.55
Deferred tax expense/(income) accounted through Other Comprehensive Income	58.21	(28.30)	29.91	75.12	105.03
Total deferred tax expense / (income)	-	**(2,229.99)**	-	**239.02**	-
Net deferred tax assets/(liabilities)	**(769.12)**	-	**(2,999.11)**	-	**(2,760.09)**
Reflected in the balance sheet are as follows:					
Deferred tax assets	5,028.88		1,614.04		903.55
Deferred tax liabilities	(5,798.00)		(4,613.15)		(3,663.64)
Deferred tax liabilities (net)	**(769.12)**		**(2,999.11)**		**(2,760.09)**

Reconciliation of deferred tax assets / (liabilities), net	**March 31, 2022**	**March 31, 2021**
Balance at the beginning of the year	(2,999.11)	(769.12)
Tax income/(expense) during the period recognised in profit or loss	163.90	(2,201.69)
Tax income/(expense) during the period recognised in OCI	75.12	(28.30)
Balance at the end of the year	**(2,760.09)**	**(2,999.11)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

36. Financial instruments risk management objectives and policies

The Company's financial liabilities comprise mainly of borrowings, trade and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Board of the Company has constituted a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The said committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. It also covers policies on specific risk areas such as currency risk, interest rate risk, credit risk and investment of surplus funds.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

(a) 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 borrowings, 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. The Company seeks to mitigate such risk by maintaining an adequate proportion of floating and fixed interest rate borrowings. As at 31st March, 2022, approximately 99% of the Company's borrowings are at fixed rate (31st March, 2021 : 85%). Summary of financial assets and financial liabilities has been provided below:

Exposure to interest rate risk

The interest rate profile of the Company's interest - bearing financial instrument as reported to management is as follows:

(` in Lakhs)

	March 31, 2022	March 31, 2021
Fixed-rate instruments		
Financial Assets	3,489.25	5,368.20
Financial Liabilities	11,459.36	21,740.52
Variable-rate instruments		
Financial Assets	-	-
Financial Liabilities	165.51	3,472.92

Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(` in Lakhs)

Particulars	Impact on Profit / (loss) after tax
March 31, 2022	
Increase in 100 basis points	1.24
Decrease in 100 basis points	(1.24)
March 31, 2021	
Increase in 100 basis points	22.59
Decrease in 100 basis points	(22.59)

Foreign currency risk

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

36. Financial instruments risk management objectives and policies (Contd...)

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in foreign currencies (primarily USD, EUR and GBP). Consequently, the Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The Company manages its foreign currency risk by following policies approved by board as per established risk management policy. The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

Exposure to Currency Risk:-

The summary quantitative data about the company's exposure to currency risk (based on notional amounts) is as follows:

(` in Lakhs)

Particulars	March 31, 2022			March 31, 2021		
	USD	GBP	EUR	USD	GBP	EUR
Financial Assets						
Trade receivables	1,841.69	850.20	250.37	1,222.28	459.38	1,013.64
Cash and cash equivalents	42.71	-	6.82	624.54	-	115.33
Other financial assets	-	-	-	-	-	-
Loans	-	869.31	-	-	881.53	-
Total (A)	**1,884.41**	**1,719.51**	**257.19**	**1,846.82**	**1,340.91**	**1,128.97**
Financial Liabilities						
Trade payables	185.92	3.18	2,932.77	725.88	126.19	5,626.86
Borrowings	1,959.94	-	-	-	-	-
Total (B)	**2,145.86**	**3.18**	**2,932.77**	**725.88**	**126.19**	**5,626.86**
Net exposure to foreign currency (A-B)	**(261.45)**	**1,716.33**	**(2,675.58)**	**1,120.94**	**1,214.72**	**(4,497.89)**

The Company does not have significant exposure to foreign currency risk. Accordingly, the management does not normally hedge any foreign currency receipts or payments.

However, during the current year the company has hedged USD 1 Lakh from Export Receivables.

The following significant exchange rates have been applied during the year.

Rupees	Average rate		Year-end spot rate	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD 1	74.65	74.45	75.81	73.50
GBP 1	100.25	97.02	99.55	100.95
EUR 1	85.38	84.58	84.66	86.10

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and GBP rates to the functional currency of respective entity, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

36. Financial instruments risk management objectives and policies (Contd...)

(` in Lakhs)

Particulars	USD			GBP			EUR		
	Change in exchange rate	Profit / (loss) before tax	Equity net of tax	Change in exchange rate	Profit / (loss) before tax	Equity net of tax	Change in exchange rate	Profit / (loss) before tax	Equity net of tax
March 31, 2022									
Strengthening	2.00%	(5.23)	(3.91)	2.00%	34.33	25.69	3.00%	(80.27)	(60.07)
Weakening		5.23	3.91		(34.33)	(25.69)		80.27	60.07
March 31, 2021									
Strengthening	2.00%	22.42	14.58	3.00%	36.44	23.71	3.00%	(134.94)	(87.78)
Weakening		(22.42)	(14.58)		(36.44)	(23.71)		134.94	87.78

Equity price risk

The Company's investment consists of investments in equity shares of publicly traded companies held for purposes other than trading as well as investments in quoted mutual funds. Since these investments are insignificant, the exposure to equity price changes is minimal.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk primarily trade receivables and other financial assets including deposits with banks. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties. Security deposits mainly includes rental deposits, earnest money deposits which are given as per contractual agreement. Unbilled revenue pertains to one government contract where there has been no delay or default in the past periods.

Other financial assets

This comprises mainly of deposits with banks, investments in mutual funds and other group receivables. Credit risk arising from these financial assets is limited and there is no collateral held against these because the counterparties are group companies, banks and recognised financial institutions. Banks and recognised financial institutions have high credit ratings assigned by the credit rating agencies.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy and procedures. Trade receivables are non-interest bearing and generally have a credit period not exceeding 90 days. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the receivables are categorised into groups based on types of receivables. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - Financial instruments. The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Receivables from group companies and secured receivables are excluded for the purposes of this analysis since no credit risk is perceived on them. Proportion of expected credit loss provided for across the ageing buckets is summarised below:

Bucket	March 31, 2022	March 31, 2021
Not due	1.07%	0.98%
0-1 year	2.39%	7.18%
1-3 years	22.37%	25.62%
Greater than 3 years	7.97%	54.97%
Expected Credit Losses rate	**8.45%**	**16.35%**
Amount of expected credit loss provided for the year (` in Lakhs)	**(1,655.98)**	**(2,397.01)**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

36. Financial instruments risk management objectives and policies (Contd...)

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the receivables.

The following significant change in the carrying amounts of trade receivables contributed to change in the impairment loss allowance during year ended 31st March, 2022:

- decrease in credit impaired balances due to write-offs taken by the management during current year resulted in decrease in trade receivables and decrease in impairment loss allowance.

Movement in provision of expected credit loss has been provided in note no. 12.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from both banks and financial institutions at an optimised cost.

The table below analysis non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed under the ageing buckets are the contractual undiscounted cash flows and includes contractual interest payments.

(` in Lakhs)

Particulars	Carrying amount	Less than 12 months	1-2 years	2-5 years	more than 5 years	Total
Year ended March 31, 2022						
Financial liabilites						
Borrowings	10,001.75	8,066.10	1,572.01	1,512.78	-	11,150.89
Trade payables	21,441.90	21,441.90	-	-	-	21,441.90
Other financial liabilities	808.46	808.46	-	-	-	808.46
Lease liabilities	1,659.63	1,207.27	452.36	-	-	1,659.63
Total	**33,911.74**	**31,523.73**	**2,024.37**	**1,512.78**	**-**	**35,060.88**
Year ended March 31, 2021						
Financial liabilites						
Borrowings	22,528.96	10,986.96	7,769.68	6,377.01	-	25,133.65
Trade payables	36,160.98	36,160.98	-	-	-	36,160.98
Other financial liabilities	3,993.36	5,212.81	-	-	-	5,212.81
Lease liabilities	2,747.77	1,107.26	1,200.07	440.44	-	2,747.77
Total	**65,431.07**	**53,468.01**	**8,969.75**	**6,817.45**	**-**	**69,255.21**

(d) Commodity price risk

Commodity price risk arises due to fluctuation in prices of steel. The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in the commodity prices and freight costs. The Company's commodity risk is managed through well-established control processes.

(e) Capital management

For the purpose of the Company's capital management, capital includes paid-up equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as level of dividends to equity share holders.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

36. Financial instruments risk management objectives and policies (Contd...)

the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using Debt-Equity ratio, which is net debt divided by total equity. The Company's policy is to keep the net debt to equity ratio below 2. The Company includes within net debt, interest bearing loans and borrowings, less cash and short-term deposits.

(` in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest-bearing loans and borrowings (Note 17, 20 & 21)	11,624.87	25,213.44
Less: cash and cash equivalents (Note 13)	(1,413.14)	(1,594.15)
Adjusted net debt	**10,211.73**	**23,619.29**
Equity share capital (Note 15)	2,244.00	2,244.00
Other equity (Note 16)	88,510.73	79,692.54
Total equity	**90,754.73**	**81,936.54**
Adjusted net debt to total equity ratio	**0.11**	**0.29**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2022 and 31st March, 2021.

In order to achieve this overall objective, the company's capital management amongst other things, aim to ensure that it meets financial covenants attached to the interest bearing loan and borrowing that define capital structure requirement. The management periodically reviews compliance with terms and condition of existing loan agreement to identify any non-adherence at each reporting date and obtain confirmation from the respective lenders on existing terms and conditions basis which borrowing are disclosed as current and non-current at each reporting date.Pursuant to such periodical review during the year,the management had identified non-adherence to certain debt covenants and had obtained confirmations from the concerned lender on continuance of existing terms and conditions. However at year end the Company was in compliance with the terms and conditions of existing loan agreements.

37. Fair Value Measurements

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 in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at March 31, 2022

(` in Lakhs)

Particulars	FVTPL	FVTOCI	Amortised cost	Total	Fair Value			
					Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobser-vable inputs	Total
Investments (Note 1 below)	19.02	-	-	19.02	3.47	-	15.55	19.02
Loans	-	-	869.31	869.31	-	-	-	-
Trade receivables	-	-	37,908.89	37,908.89	-	-	-	-
Cash and cash equivalents	-	-	1,413.14	1,413.14	-	-	-	-
Other bank balance	-	-	2,494.88	2,494.88	-	-	-	-
Other financial assets	-	-	6,800.91	6,800.91	-	-	-	-
Total Financial assets	**19.02**	**-**	**49,487.13**	**49,506.15**	**3.47**	**-**	**15.55**	**19.02**
Borrowings	-	-	10,042.33	10,042.33	-	-	10,042.33	10,042.33
Trade payable	-	-	21,441.90	21,441.90	-	-	-	-
Other financial liabilities	-	-	767.88	767.88	-	-	-	-
Lease liabilities	-	-	1,659.63	1,659.63	-	-	-	-
Total Financial liabilities	**-**	**-**	**33,911.74**	**33,911.74**	**-**	**-**	**10,042.33**	**10,042.33**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

37. Fair Value Measurements (Contd...)

As at March 31, 2021 (` in Lakhs)

Particulars	FVTPL	FVTOCI	Amortised cost	Total	Fair Value Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobse-rvable inputs	Total
Investments (Note 1 below)	30.74	-	-	30.74	8.49	-	22.25	30.74
Loans	-	-	881.53	881.53	-	-	-	-
Trade receivables	-	-	46,688.78	46,688.78	-	-	-	-
Cash and cash equivalents	-	-	1,594.15	1,594.15	-	-	-	-
Other bank balance	-	-	3,466.41	3,466.41	-	-	-	-
Other financial assets	-	-	19,178.46	19,178.46	-	-	-	-
Total Financial assets	**30.74**	**-**	**71,809.33**	**71,840.07**	**8.49**	**-**	**22.25**	**30.74**
Borrowings	-	-	22,815.66	22,815.66	-	-	22,815.66	22,815.66
Trade payables	-	-	36,160.98	36,160.98	-	-	-	-
Other financial liabilities	-	-	5,746.71	5,746.71	-	-	-	-
Lease liabilities	-	-	2,747.77	2,747.77	-	-	-	-
Total Financial liabilities	**-**	**-**	**67,471.12**	**67,471.12**	**-**	**-**	**22,815.66**	**22,815.66**

Note 1 - Investments in associates and subsidiaries have been accounted at historical cost. Since these are scoped out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above. Investments in unquoted equity shares of entities other than subsidiaries and associates have been designated as FVTPL. However, investments in equity shares other than those of Eimco Elecon Electricals Limited (EECL) on disposal will fetch only the principal amount invested and hence the company considers cost and fair value to be the same.

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial classified as current. Accordingly, the fair value has not been disclosed separately.

B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities other than those valued at Level 1 and Level 2 are considered to be the same as their fair values due to the current and short term nature of such balances and no material differences in the values.

Fair value of borrowing is computed using the market comparision technique where information for the interest rate at which a borrowing can availed by company is used to arrive at fair value of borrowing. Further management measurment of fair value is not materially diffrent from the amortised cost in these case significant unobservable inputs and inter relationship between significant unobservable inputs and fair value measurement is not applicable.

On account of materiality and in absence of sufficient information for determination of fair value of investments in equity shares of ` 0.15 lakhs (31st March, 2021: ` 0.15 lakhs), the Company has not fair valued the same.

ii) Levels 1, 2 and 3

Level 1 : It includes Investment in equity shares and mutual funds that have a quoted price and which are actively traded on the stock exchanges. It is been valued using the closing price as at the reporting period on the stock exchanges.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

37. Fair Value Measurements (Contd...)

C. Fair value through profit and loss - in unquoted equity shares:

Investments in equity shares of Eimco Elecon Electricals Limited (EEEL) have been designated as FVTPL. Based on EEEL's future projections of 5 years, Discounted Cash Flow (DCF) valuation methodology has been used to determine the fair value as on 31st March, 2022.

Significant unobservable inputs

The free cash flows have been discounted using weighted average cost of capital (WACC) and cost of equity which is based on the capital asset pricing model. The model considered data from comparable companies to obtain the discounted free cash flows based on latest available data prior to date of valuation. These assumptions have been adjusted appropriately at each reporting date. Key assumptions have been summarised below:

Particulars	March 31, 2022	March 31, 2021
Beta for WACC	1.00	1.00
Risk free rate of return	7.21%	6.00%
Cost of equity	12.50%	12.50%
Cost of debt	Nil	Nil
WACC	12.50%	12.50%
Perpetual growth rate	2.50%	5.00%

i) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods.

ii) Level 3 fair values

Movements in the values of unquoted equity instruments for the period ended 31st March, 2022 and 31st March, 2021 is as below:

(` in Lakhs)

Particulars	Amount
As at March 31, 2020	**21.33**
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	-
Gains/ (losses) recognised in statement of profit or loss	0.92
As at March 31, 2021	**22.25**
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	-
Gains/ (losses) recognised in statement of profit or loss	(6.70)
As at March 31, 2022	**15.55**

Transfer out of Level 3

There were no movement in level 3 in either directions during the year ended 31st March, 2022 and 31st March, 2021.

Sensitivity analysis - Investments in unquoted equity instruments of EEEL (Value per share)

2021-22			**Perpetual growth rate**	
			-1%	**+1%**
	Cost of equity	**-1%**	1.10	0.88
		+1%	2.99	1.77
2020-21			**Perpetual growth rate**	
			-1%	**+1%**
	Cost of equity	**-1%**	2.13	3.32
		+1%	1.52	2.00

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

for the year ended 31st March, 2022

38. Related party disclosure

As per the Ind AS - 24 Related Party Disclosures, the related parties of the Company are as follows :

A) Name of the related parties and nature of relationships :

a) **Ultimate Holding Company :** Aakaaish Investments Private Limited

b) **Entity with control over the Company :** Lotus Trust

c) **Wholly Owned Subsidiary Companies**

(i) Radicon Transmission UK Limited, U.K.
(ii) Elecon Singapore Pte. Limited, Singapore
(iii) Elecon Middle East FZE, Middle East

d) **Wholly Owned Step down Subsidiaries**

(i) Benzlers Systems AB, Sweden
(ii) AB Benzlers, Sweden
(iii) Radicon Drive Systems, Inc., USA
(iv) Benzlers Transmission A.S., Denmark
(v) Benzlers Antriebstechnik GmbH, Germany
(vi) Benzlers TBA B.V., Netherlands
(vii) OY Benzlers AB, Finland
(viii) Benzlers Italia s.r.l.

e) **Associates**

(i) Eimco Elecon (India) Limited
(ii) Elecon Australia Pty. Limited
(iii) Elecon Africa Pty. Limited
(iv) Elecon Engineering (Suzhou) Co. Limited, China

Note:-

The Company is in process of seeking RBI approval for liquidating its 3 associated namely Elecon Australia Pty. Limited, Elecon Africa Pty. Limited and Elecon Engineering (Suzhou) Co. Limited, China.There are no transactions in these 3 associate companies and there are no assets or liabilities pertaining to these associates.

f) **Key managerial personnel**

(i) Mr. Prayasvin B. Patel - Chairman and Managing Director
(ii) Mr. Prashant C. Amin - Executive Director (till 31 May 2020)
(iii) Mr. Prashant C. Amin - Non-Executive Director (w.e.f 1 June 2020)
(iv) Mr. Pradip M. Patel - Director
(v) Mr. Jal Patel - Independent Director
(vi) Mr. Chirayu R. Amin - Independent Director (till 10 August 2020)
(vii) Mr. Jai S. Diwanji - Independent Director
(viii) Dr. Sonal V. Ambani - Independent Director
(ix) Mr. Pranav C. Amin - Independent Director (w.e.f. 27 May 2021)
(x) Mr. Narasimhan Raghunathan- Chief Financial Officer
(xi) Mrs. Bharti L. Isarani- Company Secretary

g) **Relatives of Key managerial personnel**

(i) Mr. Aayush Shah (w.e.f. 27 February 2020 till 21 December 2020)

h) **Entities forming part of the same group (with whom transaction undertaken during the year or previous year)**

(i) Devkishan Investment Private Limited
(ii) K. B. Investments Private Limited
(iii) Elecon Information Technology Limited
(iv) Tech Elecon Private Limited
(v) Emtici Engineering Limited
(vi) Prayas Engineering Limited
(vii) Speciality Wood Pack Private Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

38. Related party disclosure (Contd...)

(viii) Power Build Private Limited
(ix) Elecon Hydraulics Private Limited
(x) Akaaish Mechatronics Limited
(xi) Madhubhan Prayas Resorts Limited
(xii) Wizard Fincap Limited
(xiii) Eimco Elecon Electricals Limited
(xiv) Elecon Peripherals Limited
(xv) Packme Industries Private Limited
(xvi) Darshan Chemicals
(xvii) WRC Engineering Company Private Limited
(xviii) Radicon Transmission FZE
(xix) Radicon Transmission (Thailand) Limited
(xx) Radicon Transmission (Australia) Pty Limited
(xxi) Vijay M. Mistry Construction Private Limited
(xxii) Jamko consultants Private Limited
(xxiii) Desmin agencies
(xxiv) Emtici Marketing LLP
(xxv) Modsonic Instruments Manufacturing Company Private Limited
(xxvi) B. I. Patel Charitable Trust
(xxvii) I. B. Patel Charitable Trust

i) Other related party

Post employment benefit plan
(i) Elecon Engineering Company Limited Employees Group Gratuity Fund
(ii) Elecon Engineering Company Limited Employees Superannuation scheme

B) Terms and conditions of transactions with related parties

1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given and taken, at the year-end are unsecured and interest free and settlement occurs in cash other than for advance.

Transactions with key management personnel

Compensation of key management personnel of the Company.

(` in Lakhs)

Particulars	**Year Ended March 31, 2022**	**Year Ended March 31, 2021**
Remuneration		
- Mr. Prayasvin B. Patel	614.47	319.86
- Mr. Prashant C. Amin	-	207.56
- Mr. Narasimhan Raghunathan	42.74	32.73
- Mrs. Bharti L. Isarani	16.64	14.10
Commission and sitting fees to Independent directors and non-executive directors	56.85	40.25
Total compensation paid to key management personnel	**730.70**	**614.50**

Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

38. Related party disclosure (Contd...)

(` in Lakhs)

Particulars	Associate		Subsidiaries		Key Managerial Personnel		Relatives of Key managerial personnel		Entities forming part of the same group		Employement benefit plans	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Purchase of material / finished goods	56.47	27.45	32.38	16.99	-	-	-	-	5,012.52	2,881.56	-	-
Miscellaneous income	0.26	4.51	-	-	-	-	-	-	44.66	23.48	-	-
Erection and other charges	2.16	21.33	-	-	-	-	-	-	79.45	116.20	-	-
Sale of finished goods/ consumable stores	306.45	351.29	6,244.80	6,287.48	-	-	-	-	1,463.52	397.76	-	-
Purchase of property plant and equipment	-	-	-	-	-	-	-	-	111.91	-	-	-
Sales of property plant and equipment	29.40	-	-	-	-	-	-	-	7.56	61.74	-	-
Remuneration paid key managerial personnel	-	-	-	-	730.70	614.50	-	13.77	-	-	-	-
Other expenses charged from related parties	16.84	5.94	366.94	298.03	-	-	-	-	298.07	266.33	-	-
Other expenses charged by related parties	27.08	20.30	64.15	139.13	-	-	-	-	3,935.58	3,228.38	-	-
Sales and other commission expense	-	-	144.98	251.84	-	-	-	-	20.96	50.00	-	-
Commission income on bank guarantee	-	-	-	-	-	-	-	-	-	-	-	-
Interest on above deposits / loans / advances	-	-	32.35	38.81	-	-	-	-	-	-	-	-
Sundry balances written off	-	-		69.46	-	-	-	-	-	-	-	-
Corporate Guarantee Commission	-	-	69.32	80.22	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	18.22	-	-	-	247.90	-	-	-
Dividend income	47.92	47.92	-	296.75	-	-	-	-	-	-	-	-
Contribution made to post employment defined plans trust	-	-	-	-	-	-	-	-	-	-	416.62	25.42
Contribution made towards CSR activities	-	-	-	-	-	-	-	-	129.65	22.04	-	-
Donation Paid	-	-	-	-	-	-	-	-	0.75	3.42	-	-
Outstanding balances												
Trade payables	0.69	17.38	145.76	309.19	-	-	-	-	166.21	3,832.73	-	-
Trade receivables	83.29	-	3,054.88	2,444.51	-	-	-	-	151.43	490.62	-	-
Advance received	-	-	568.09	2,275.03	-	-	-	-	-	-	-	-
Loan receivable	-	-	869.31	881.53	-	-	-	-	-	-	-	-
Guarantee taken	-	-	-	-	-	-	-	-	196,400.00	217,400.00	-	-
Guarantee given	-	-	4,285.65	35,120.86	-	-	-	-	-	-	-	-

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NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

38. Related party disclosure (Contd...)

Note:-

The Company had written off Investments and loans outstanding from the 3 associates namely Elecon Australia Pty. Limited, Elecon Africa Pty. Limited and Elecon Engineering (Suzhou) Co. Limited in the financial year 2011-2012 amounting to ` 1,071.30 lakhs.

Separate disclosure and 186(4) Notes

Disclosure as per Regulation 53(F) of SEBI (Listing Obligations And Disclosure Requirements) Regulations

Loans and advances in the nature of loans given to subsidiaries and taken from the firms/companies in which directors are interested:

(` in Lakhs)

Name of the Party	Relationship	Amount outstanding as at 31.03.2022	Amount outstanding as at 31.03.2021	Maximum balance outstanding during the year 31.03.2022	Maximum balance outstanding during the year 31.03.2021
Radicon Transmission UK Limited	Wholly owned subsidiary	869.31	881.53	869.31	881.53

39. Disclosure pursuant to employee benefits

A. Defined contribution plans:

Amount of ` 224.77 lakhs (31st March, 2021: ` 263.02 Lakhs) is recognised as expenses and included in Note No. 30 "Employee benefits expense"

(` in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provident fund	217.14	259.24
Superannuation fund	7.63	3.78
	224.77	**263.02**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

39. Disclosure pursuant to employee benefits (Contd...)

B. Defined benefit plans:

The Company has following post employement benefits which are in the nature of defined benefit plans:

(a) **Gratuity**

The Company operates gratuity plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.

March 31, 2022 : Changes in defined benefit obligation and plan assets

(` in Lakhs)

	April 1, 2021	Gratuity cost charged to statement of profit and loss			Transfer in/ Transfer Out liability/ asset	Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2022
		Service cost	Net interest expense	Sub-total included in Statement of Profit and Loss (Note 30)			Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in other comprehensive income		
Gratuity													
Defined benefit obligation	931.25	59.88	60.44	120.32	(5.00)	(251.95)	-	-	108.12	233.33	341.45	-	**1,136.07**
Fair value of plan assets	(907.46)	-	(58.89)	(58.89)	29.53	251.95	18.46	-	-	-	18.46	(402.92)	**(1,069.33)**
Benefit liability	**23.79**	**59.88**	**1.55**	**61.43**	**24.53**	-	**18.46**	-	**108.12**	**233.33**	**359.91**	**(402.92)**	**66.74**
Total benefit liability	**23.79**	**59.88**	**1.55**	**61.43**	**24.53**	-	**18.46**	-	**108.12**	**233.33**	**359.91**	**(402.92)**	**66.74**

March 31, 2021 : Changes in defined benefit obligation and plan assets

(` in Lakhs)

	April 1, 2020	Gratuity cost charged to statement of profit and loss			Transfer in/ Transfer Out liability/ asset	Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2021
		Service cost	Net interest expense	Sub-total included in Statement of Profit and Loss (Note 30)			Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in other comprehensive income		
Gratuity													
Defined benefit obligation	1,305.09	77.81	86.03	163.84	(11.71)	(402.97)	-	-	53.26	(176.26)	(123.00)	-	**931.25**
Fair value of plan assets	(1,235.64)	-	(81.45)	(81.45)	11.71	402.97	10.97	-	-	-	10.97	(16.02)	**(907.46)**
Benefit liability	**69.45**	**77.81**	**4.58**	**82.39**	-	-	**10.97**	-	**53.26**	**(176.26)**	**(112.03)**	**(16.02)**	**23.79**
Total benefit liability	**69.45**	**77.81**	**4.58**	**82.39**	-	-	**10.97**	-	**53.26**	**(176.26)**	**(112.03)**	**(16.02)**	**23.79**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

39. Disclosure pursuant to employee benefits (Contd...)

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Insurance Fund (%) of total plan assets	100%	100%

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate	6.89%	6.49%
Future salary increase		
For the next 1st year	8.00%	10.00%
For the next 1st year, starting from 2nd year	8.00%	6.00%
Starting from 3rd year	8.00%	6.00%
Expected rate of return on plan assets	6.89%	6.49%
Employee turnover rate	6.00%	10.00%
Morality rate during employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact) Year ended March 31, 2022 `	Year ended March 31, 2021 `
Discount rate	1% increase	(73.85)	(43.37)
	1% decrease	84.49	48.37
Salary Increase	1% increase	80.81	47.40
	1% decrease	(73.09)	(43.31)

(b) Leave obligations - unfunded

The actuarial liability towards leave obligations as at 31st March, 2022 is ` 166.66 Lakhs (31st March, 2021 is ` 236.82 Lakhs). Current year charge is included in Employee benefit expense (Refer Note 30).

(c) Effect of Plan on Entity's Future Cash Flows

(i) Funding arrangements and Funding Policy

The Company has purchase an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

(ii) Expected Contibution during the next annual reporting period

The Company's best estimate of contribution during the next year is ` 85.14 Lakhs (As at 31st March, 2021 is ` 61.43 Lakhs).

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

(iii) **Expected cash flows over the next years (valued on undiscounted basis):**

Weighted average duration (based on discounted cash flows):

(` in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1 year	143.68	154.21
2 to 5 year	431.27	442.95
6 to 10 year	427.64	346.07
More than 10 year	1079.87	437.86

40. Contigent liabilities and commitments

(` in Lakhs)

	Particulars	March 31, 2022	March 31, 2021
(a)	**Contingent liabilities:** Claims against the Company not acknowledged as debt*		
(i)	Disputed with Excise and Service tax authority	6,194.17	6,058.68
(ii)	Disputed with Sales tax authority	347.05	286.25
(iii)	Disputed with Income tax authority	5,892.69	5,291.22
(iv)	Sales bills discounted under letter of credit with Banks	165.28	346.64
(v)	Arbitration Proceedings against the Company under direction of the Honourable Gujarat High Court. There is also a counter claim by the Company of ` 200.00 Lakhs (March 31, 2021: ` 200 Lakhs).	172.32	154.19
(vi)	In respect of a commercial civil suit filed by a customer against the Company with the Commercial Civil Court, Ahmedabad amounting to ` 4,933 lakhs (March 31, 2021: 4,933 Lakhs). Against this, the Company has filed a counter claim of ` 549 lakhs (March 31, 2021: 549 lakhs) against the Customer for the default made by the customer.	-	4,933.00
	Guarantees		
(i)	The Company has provided Corporate Guarantee to Bank of Baroda, London to the tune of GBP 0 (March 31, 2021: GBP 6,000,000) as a security for repayment of Financial facility availed by Radicon Transmission UK Limited, United Kingdom, a subsidiary of the Company. During the year, company has repaid the financial facility and consequently the Corporate Guarantee given as security has been withdrawn.	-	6,057.05
(ii)	The Company has provided Corporate Guarantee to Bank of Baroda, London to the tune of GBP 0 and US$ 0 (March 31, 2021: GBP 8,299,000 and US$ 22,098,000) as a security for repayment of Financial facility availed by Radicon Transmission UK Limited, UK, a subsidiary of the Company. During the year, company has repaid the financial facility and consequently the Corporate Guarantee given as security has been withdrawn.	-	24,620.98
(iii)	Corporate Guarantee provided to Swedish Pension Authority to the tune of SEK 53.00 Million (March 31, 2021: SEK 53.00 Million) as a security, in replacement of earlier guarantee given by erstwhile owner, for the purchase of pension insurances relating to the pension commitments on behalf of AB Benzlers Sweden, a step-down subsidiary of Radicon Transmission UK Limited, Uk, a Wholly-owned Subsidiary of the Company.	4,285.65	4,442.82

* Future cash outflows are determinable only on receipt of judgements/ decisions pending with various forums/ authorities. It is not practicable to disclose possibility of any reimbursement.

	(b) Commitments:	March 31, 2022	March 31, 2021
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	493.42	340.37
(ii)	Liability for Export Obligation under Advance Licence	-	135.49

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

41. Segment reporting

The Company publishes this financial statement along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

42. Subsequent Event

A fire incidence took place at one of the machines situated at one of the factory sheds of the company located at its registered office & works located at Anand-Sojitra Road, Vallabh Vidyanagar, Gujarat - 388120 on 14th April 2022. Loss due to the said fire is estimated approximately of ` 300 Lakhs. The company has adequate insurance coverage and the insurance claim is under process.

43. Disclosures pursuant to Indian Accounting standard (Ind AS) 115, Revenue from Contracts with Customers:-

a. Disaggregation of revenue

(` in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from long-term construction contracts (A) (revenue recognised over time)	11,794.78	17,882.70
Revenue other than considered in (A) above (revenue recognised Point in time)	76,647.69	61,726.98
Revenue from operations (Refer Note 25)	**88,442.47**	**79,609.68**

The Company believes that the information provided under Note 25 and Note 43, is sufficient to meet the disclosure requirements with respect to disaggregation of revenue under Ind AS 115, *Revenue from Contracts with Customers.*

b. Reconciliation of the amount of revenue recognised in the standalone statement of profit and loss with the contracted price:

(` in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue as per contracted price	90,907.06	80,244.58
Adjustments		
Variable consideration reduction on account of liquidated damages	(2,324.70)	(972.57)
Revenue from contract with customers	**88,317.61**	**79,245.32**
Export incentives	124.86	364.36
Revenue from operations (Refer Note 25)	**88,442.47**	**79,609.68**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

c. **Contract balances:**

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

(` in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	**37,908.89**	**46,688.78**
Contract assets		
Unbilled revenue - Other financial assets	6,314.06	19,136.47
Contract liabilities		
Biliing in excess of revenue	554.98	666.83
Accrued contractual liability	-	2,832.00
Advance from customers	10,200.13	14,317.34

d. **Unsatisfied performance obligations**

The Company applies the practical expedient in Paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations where the Company has a right to consideration from the customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date. Accordingly, the Company recognises revenue by an amount to which the Company has a right to invoice.

44. Lease Transactions

The Company has elected below practical expedients while applying Ind AS 116:

1. Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
2. Applied the exemption not to recognise right of use assets and lease liabilities with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of right of use asset at the date of initial application.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

The Company has elected not to apply the requirements of Ind AS 116 to short term leases of all the assets that have a lease term of twelve months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight line basis over the lease term.

The incremental borrowing rate applied to lease liabilities as at 1st April, 2021 is 14.50%.

44.1. As a Lessee - Movement in Lease liabilities.

(` in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance as at 1 April	63.29	59.04
New lease contracts entered during the year	9.35	33.11
Finance costs incurred during the year	7.00	10.38
Lease contracts terminated during the year	(17.03)	-
Payments of lease liabilities	(28.48)	(39.24)
Balance as at 31 March (refer note 20)	**34.13**	**63.29**
Maturity analysis - Undiscounted cash flows		
Less than one year	18.39	25.66
More than one year	25.64	30.92

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

44.2. Amounts recognised in profit or loss

(` in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on lease liabilities	7.00	10.38
Expenses relating to short-term leases	1,346.78	1,224.33

44.3. As a Lessor

Lease income from lease contracts in which the Company acts as a lessor is as below:

(` in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Operating Lease	237.47	150.95
Maturity analysis - Undiscounted cash flows		
Less than one year	74.61	77.29

The Company has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

45. Disclosure as per Sec 186(4) of The Companies Act., 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

(i) Details of Investments made and Loans given are disclosed in Note Nos. 6 and 7.

(ii) Corporate Guarantees given by the Company in respect of loans as at 31st March, 2022 are as under:-

(` in Lakhs)

Sr. No.	Particulars	Relationship	For the year ended March 31, 2022	For the year ended March 31, 2021
1	Radicon Transmission UK Limited	wholly-owned subsidiary	-	6,057.05
2	Radicon Transmission UK Limited	wholly-owned subsidiary	-	24,620.98
3	AB Benzlers Sweden	step-down subsidiary	4,285.65	4,442.82

All above Corporate Guarantees have been given for business purpose.

46. Other Amendments with respect to Schedule III

1. The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
2. The company is not declared as wilful defaulter by any bank or financial Institution or other lender.
3. There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237of the Companies Act, 2013.
4. The company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
5. The company have not traded or invested in Crypto currency or Virtual Currency during the year.
6. The company does not have any transactions with companies struck off.
7. The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
8. The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

   (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)

for the year ended 31st March, 2022

9. The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
   (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
   (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

47. The Standalone financial statements were authorised for issue by board of director at their meetings held on 3rd May, 2022.

As per our report of even date attached

For CNK & Associates LLP
Chartered Accountants
Firm's Registration No : 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No: 037391

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

For and on behalf of the Board of Directors,
Elecon Engineering Company Limited
CIN: L29100GJ1960PLC001082

Prayasvin Patel
Chairman & Managing Director
DIN : 00037394

Dr. Sonal V. Ambani
Director
DIN : 02404841

Narasimhan Raghunathan
Chief Financial Officer

Bharti Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

Ratios	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance	Reason for variance
Current Ratio	Current Asset	Current Liabilities	1.47	1.29	13.6%	
Debt equity ratio	Total Debt (1)	Shareholders Equity	0.13	0.31	58.3%	Higher efficiency on Working capital improvement has resulted in an improvement in the ratio.
Debt Service Coverage Ratio	Earnings available for debt service (2)	Debt Service (3)	2.78	1.07	158.7%	Reduced finance cost as well as debt has resulted in an improvement in the ratio.
Return on Equity Ratio	Net profit after Taxes-Preference dividend (if any)	Average Shareholders Equity	11.1%	4.5%	144.3%	Increased profit has resulted in an improvement in the ratio.
Inventory turnover ratio	Cost of goods sold or Sales	Average Inventory	4.96	3.94	26.0%	Higher efficiency on Working capital improvement has resulted in an improvement in the ratio.
Trade Receivables turnover ratio	Net Credit Sales	Average account Receivable	2.09	1.55	34.7%	Higher efficiency on Working capital improvement has resulted in an improvement in the ratio.
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	1.48	0.76	94.3%	Higher efficiency on Working capital improvement has resulted in an improvement in the ratio.
Net capital turnover ratio	Net Sales	Working Capital	4.04	3.79	6.5%	
Net profit ratio	Net Profit	Net Sales	10.80%	4.56%	137.1%	Increased Turnover and reduced cost has resulted in an improvement in the ratio.
Return on Capital employed	Earning before interest and taxes	Capital Employed (4)	14.39%	9.77%	47.3%	Increased Turnover and reduced cost has resulted in an improvement in the ratio.
Return on investment	Income generated from invested funds(5)	Average Invested funds in Treasury investments(6)	4.00%	3.99%	0.2%	

(1) Total Debt represents Current Borrowings + Non Current Borrowings + Lease liabilities.
(2) Earnings available for debt service represents Profit Before Tax + Interest on Debt.
(3) Debt Service represents Interest on Debt + Scheduled principal repayment of non-current borrowings + Current maturity of lease liabilities.
(4) Capital Employed represents Total Equity + Borrowings + Deferred Tax liabilities.
(5) Income generated from invested funds represents Interest Income.
(6) Average Invested funds in Treasury investments represents Average Fixed deposits of two years.

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31st March, 2022.

To the Members of
Elecon Engineering Company Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Elecon Engineering Company Limited ("the Holding Company"), its subsidiaries company (the Holding Company and its subsidiaries together referred to as "the Group"),and its associate which comprise the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information;

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31st March, 2022, the consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). 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 its associate 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 opinion on the Consolidated Financial Statements.

Key Audit Matters

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

Sr. No.	The key audit matter	Auditor's Response
1.	**Expected credit loss on trade receivables.** Evaluation of trade receivables for impairment requires exercise of judgement and involves consideration of various factors. These factors include customer's ability and willingness to pay the outstanding amounts, past due receivables, financial and economic difficulties of customers. This assessment is done for each group of customers resulting from possible defaults over the expected life of the receivables. Based on this assessment, credit loss rate is determined in provision matrix. The credit loss rate is based on the experience of actual credit losses over past years adjusted to reflect the current economic conditions and forecasts of future economic conditions. Based on such credit loss rate, the Company records expected credit loss (ECL) allowance for trade receivables. In view of this, we have considered measurement of ECL on trade receivables (including retention monies) as a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient & appropriate audit evidence: • Evaluating the accounting policy for impairment of trade receivable in terms of the relevant accounting standard. • Testing the design, implementation and operating effectiveness of the Company's key internal financial controls. These controls relate to measurement of ECL on trade receivables. Evaluated monitoring related to credit control, collection of trade receivables, follow up for past due amounts and for identification and recognition of corresponding impairment losses. • For a sample of past due receivables, selected on the basis of risk, ageing and volume, we examined the ageing of receivables, impairment losses provided/ reversed during the year and compared them to historical experience. • Evaluating the Company's assessment regarding credit worthiness of such customers and identification of the credit impaired customers; • Balance confirmation requests were circulated to some of the customers, selected basis random sampling.

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31st March, 2022. (Contd...)

Key Audit Matters (Contd...)

Sr. No.	The key audit matter	Auditor's Response
1.		• We evaluated the historical credit loss experience, current observable data and forward-looking outlook as prescribed in the relevant accounting standard. • Assessing the adequacy of the related disclosures in the Consolidated financial statements with reference to the relevant accounting standards.
2.	**Related party transactions** The Company has undertaken transactions with its related parties. These include sale of goods to related parties, purchase of goods and services from related parties. We identified related party transactions as a key audit matter due to significance of related party transactions, regulatory compliances and risk of such transactions remaining undisclosed in the financial statements	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient & appropriate audit evidence: • Obtained and read the Company's policies, processes and procedures in respect of identifying related parties, obtaining approval, recording and disclosure of related party transactions. • Read minutes of shareholder meetings, board meetings and audit committee meetings regarding Company's assessment of related party transactions being in the ordinary course of business at arm's length. • Tested, on a sample basis, related party transactions with the underlying contracts, confirmations and other supporting documents. • Agreed the related party information disclosed in the financial statements with the underlying supporting documents, on a sample basis.
3.	**IT systems and controls over financial reporting.** We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, specifically with respect to revenue and raw material consumption. Also, due to such large transaction volumes and the increasing challenge to protect the integrity of the Company's systems and data, cyber security has become more significant. Automated accounting procedures and IT environment controls, which include IT governance, IT general controls over program development and changes, access to program and data and IT operations, IT application controls and interfaces between IT applications are required to be designed and to operate effectively to ensure accurate financial reporting.	In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient & appropriate audit evidence: • Assessed the complexity of the IT environment through discussion with the IT team and identified IT applications that are relevant to our audit. • Assessed the design and evaluation of the operating effectiveness of IT general controls over program development and changes, access to program and data and IT operations. • Performed inquiry procedures with the IT team of the Company in respect of the overall security architecture and any key threats addressed by the Company in the current year. • Assessed the design and evaluation of the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company; • Assessed the operating effectiveness of controls relating to data transmission through the different IT systems to the financial reporting systems.

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

The Holding Company's Board of Directors is responsible for other information. The other information comprises the information included Board's Report including Annexures to that Board's Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon.

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

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31st March, 2022. (Contd...)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained 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;

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

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its associate 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 for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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;

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and its associate are responsible for assessing the ability of the Group and its associate 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 their respective entities 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 associate are responsible for overseeing the financial reporting process of the Group and of its associate.

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group and its associate has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern;

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31st March, 2022. (Contd...)

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditor. For the other entities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled 'Other Matters' in this audit report.

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

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

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

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

Other Matters

(a) The consolidated financial statements include the audited financial information of Two subsidiaries, whose financial statements reflect total assets of ` 3,914.81 Lakhs as at 31st March, 2022, total revenues of ` 7,146.74 Lakhs, total comprehensive income (comprising of net profit after tax and other comprehensive income) of ` 5194.91 Lakhs and net cash inflow of ` 1,598.32 Lakhs for the year then ended, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include Group's share of net profit of ` 144.23 Lakhs for the year ended 31st March, 2022, other comprehensive income of ` 4.40 Lakhs as considered in the consolidated financial statement, of one associate, whose financial statements have not been audited by us,

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our report on the consolidated financial results, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

(b) The audited consolidated financial statement for the year ended 31st March, 2021 included in these financial statements are based on the previously issued financial statements of the Company prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of Companies Act, 2013. Those audited financial statements prepared under Ind AS were audited by the predecessor auditor, whose audit report dated 27th May, 2021 expressed an unmodified opinion on those financial results;

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Group so far as it appears from our examination of those books and the reports of the other auditors;

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31st March, 2022. (Contd...)

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified 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 31st March, 2022 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its associate company, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act,

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its associate company incorporated in India, and its operating effectiveness of such controls, refer to our separate Report in "Annexure A";

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

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

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

i. The Consolidated Financial Statements disclosed the impact of pending litigations on its financial position of the Group and its associate- Refer Note 40 to the Consolidated Financial Statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts. The Group and its associates have not entered into any derivative contracts. Refer Note 23 to the consolidated financial statements in respect of such items as it relates to the Group and its associates.;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its associate;

iv. i. The Holding company Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its subsidiaries and its associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiaries and its associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii. The Holding Company Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Holding Company, its subsidiaries and its associates from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiaries and its associates shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. The final dividend paid by the company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Year Ended 31st March, 2022. (Contd...)

As stated in note 16.2 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuring Annual General Meeting. The dividend declared is in accordance with section 123 of the Act, to the extent it applies to declaration of dividend.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its associate included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the CARO report of the associate.

For C N K & Associates LLP
Chartered Accountants
Firm's Registration No: 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 037391
ICAI UDIN : 22037391AIICPP9779

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **Elecon Engineering Company Limited** ("the Company") and its associate companies wherein such audit of internal financial controls over financial reporting was carried out by other Auditors whose reports have been forwarded to us and have been appropriately dealt with by us in making this report as on 31st March, 2022 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 internal financial controls with reference to financial statements of the Company were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2022 (Contd...)

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its associate Company has, in all material respects, an internal financial controls with reference to financial statements of the Company and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by 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.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and the operating effectiveness of the internal financial controls over financial reporting in so far as it relates to associate companies, which are incorporated in India, are based on the corresponding reports of the auditors of such companies incorporated in India.

Our Opinion is not modified in respect of above matter.

For C N K & Associates LLP
Chartered Accountants
Firm's Registration No: 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 037391
ICAI UDIN : 22037391AIICPP9779

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

CONSOLIDATED BALANCE SHEET
as at 31st March, 2022

(` in Lakhs)

Particulars	Notes	March 31, 2022	March 31, 2021
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	52,262.72	54,834.46
(b) Right-of-use assets	3	7,023.59	5,900.08
(c) Capital work-in-progress	3	51.24	30.96
(d) Investment property	4	2,534.67	2,547.00
(e) Goodwill	5	10,566.15	10,712.15
(f) Other intangible assets	5	1,531.31	1,797.64
(g) Investments accounted for using the equity method	6	5,404.76	5,312.85
(h) Financial assets			
(i) Investments	7	19.02	30.74
(ii) Other financial assets	8	186.57	1,047.55
(i) Deferred tax assets (net)	35	384.27	501.73
(j) Income tax assets (net)	9	2,292.53	2,020.33
(k) Other non-current assets	10	935.56	1,175.17
Total non-current assets		**83,192.40**	**85,910.66**
II. Current assets			
(a) Inventories	11	26,166.70	25,022.35
(b) Financial assets			
(i) Trade receivables	12	41,507.44	50,773.61
(ii) Cash and cash equivalents	13	8,436.21	9,614.49
(iii) Bank balances other than (ii) above	13	2,777.23	4,533.96
(iv) Other financial assets	8	6,810.08	19,614.82
(c) Other current assets	14	2,955.15	3,803.72
Total current assets		**88,652.81**	**113,362.95**
Total assets		**171,845.21**	**199,273.61**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	15	2,244.00	2,244.00
(b) Other equity	16	102,779.78	89,680.83
Total equity		**105,023.78**	**91,924.83**
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1,966.29	11,741.59
(ii) Lease liabilities	18	3,241.82	3,229.12
(b) Non-current provisions	19	4,889.67	5,466.95
(c) Deferred tax liabilities (net)	35	2,772.04	3,024.35
Total non-current liabilities		**12,869.82**	**23,462.01**

CONSOLIDATED BALANCE SHEET (Contd...)
as at 31st March, 2022

(` in Lakhs)

Particulars	Notes	March 31, 2022	March 31, 2021
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	8,035.46	16,877.39
(ii) Lease liabilities	18	1,876.06	1,664.11
(iii) Trade payables	20		
- Total outstanding dues of micro and small enterprises		3,092.46	4,367.94
- Total outstanding dues of creditors other than micro and small enterprises		23,945.58	38,066.53
(iv) Other financial liabilities	21	808.46	3,993.36
(b) Other current liabilities	22	11,816.39	14,624.95
(c) Current provisions	23	2,329.44	2,595.91
(d) Current tax liabilities (net)	24	2,047.76	1,696.58
Total current liabilities		**53,951.61**	**83,886.77**
Total liabilities		**66,821.43**	**107,348.78**
Total equity and liabilities		**171,845.21**	**199,273.61**
The accompanying notes form an integral part of the consolidated financial statements.	2-50		

As per our report of even date attached

For C N K & Associates LLP
Chartered Accountants
Firm's Registration No : 101961 W/W - 100036

Himanshu Kishnadwala
Partner
Membership No: 037391

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

For and on behalf of the Board of Directors,
Elecon Engineering Company Limited
CIN: L29100GJ1960PLC001082

Prayasvin Patel
Chairman & Managing Director
DIN : 00037394

Dr. Sonal V. Ambani
Director
DIN : 02404841

Narasimhan Raghunathan
Chief Financial Officer

Bharti Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2022

(` in Lakhs)

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	25	120,355.38	104,443.96
Other income	26	856.19	599.42
Total income (I)		**121,211.57**	**105,043.38**
Expenses			
Cost of materials consumed	27	60,743.53	43,910.33
Changes in inventories of finished goods and work-in-progress	28	(3,573.11)	4,625.73
Manufacturing expenses and erection charges	29	8,115.91	7,677.93
Employee benefits expense	30	12,818.72	11,793.91
Finance costs	31	3,734.12	5,980.64
Depreciation and amortisation expense	3,4 & 5	4,857.64	5,211.23
Other expenses	32	17,606.35	17,901.85
Total expenses (II)		**104,303.16**	**97,101.62**
Profit before share of equity accounted investee and tax (I-II)		**16,908.41**	**7,941.76**
Share of Profit from Associate (net of tax)		144.23	187.39
Profit before tax		**17,052.64**	**8,129.15**
Tax expense	35		
Current tax		3,057.15	134.28
Adjustment of tax relating to earlier periods		123.37	30.09
Deferred tax		(177.13)	2,201.69
Total Tax Expense		**3,003.39**	**2,366.06**
Profit for the year		**14,049.25**	**5,763.09**
Other comprehensive income			
A. Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences in translating the financial statements of foreign operations	16	(303.92)	417.70
Net other comprehensive income to be reclassified to profit or loss in subsequent periods (A)		**(303.92)**	**417.70**
B. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit plans	16	(274.52)	352.87
Income tax related to items that will not be reclassified to profit or loss		76.93	(28.22)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (B)		**(197.59)**	**324.65**
Total other comprehensive income for the year (net of tax) [A+B]		**(501.51)**	**742.35**
Total comprehensive income for the year		**13,547.74**	**6,505.45**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (Contd...)
for the year ended 31st March, 2022

(` in Lakhs)

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Profit attributable to:			
Owners of the Company		14,049.25	5,763.09
Non-controlling interest		-	-
Profit for the year		**14,049.25**	**5,763.09**
Other comprehensive income attributable to:			
Owners of the Company		(501.51)	742.35
Non-controlling interest		-	-
Other comprehensive income for the year		**(501.51)**	**742.35**
Total comprehensive income attributable to:			
Owners of the Company		13,547.74	6,505.45
Non-controlling interest		-	-
Total comprehensive income for the year		**13,547.74**	**6,505.45**
Earnings per equity share	34		
Equity share of face value ` 2/- each			
Basic		12.52	5.14
Diluted		12.52	5.14
The accompanying notes form an integral part of the consolidated financial statements.	2-50		

As per our report of even date attached

For C N K & Associates LLP
Chartered Accountants
Firm's Registration No : 101961 W/W - 100036

Himanshu Kishnadwala
Partner
Membership No: 037391

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

For and on behalf of the Board of Directors,
Elecon Engineering Company Limited
CIN: L29100GJ1960PLC001082

Prayasvin Patel
Chairman & Managing Director
DIN : 00037394

Dr. Sonal V. Ambani
Director
DIN : 02404841

Narasimhan Raghunathan
Chief Financial Officer

Bharti Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31st March, 2022

(1) Current reporting period (` in Lakhs)

Particulars	Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
Equity share capital	2,244.00	-	2,244.00	-	2,244.00

(2) Previous reporting period (` in Lakhs)

Particulars	Balance as at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
Equity share capital	2,244.00	-	2,244.00	-	2,244.00

Particulars	Other equity						Total equity attributable to the owners of the company
	Reserves & Surplus					Other Comprehensive Income	
	Capital reserve	Securities premium	General reserve	Debenture Redemption Reserve	Retained earnings	Exchange difference on translating the financial statement	
Balance as at April 1, 2020	**246.93**	**2,878.14**	**44,324.14**	**2,500.00**	**32,379.17**	**847.00**	**83,175.38**
Total comprehensive income for the period							
Arising on account of merger	-	-	-	-	-	-	-
Profit for the year	-	-	-		5,763.10	-	5,763.10
Remeasurements of post-employment benefit obligation, (Net of Tax) accounted through Other comprehensive income	-	-	-	-	324.65	-	324.65
Foreign currency translation	-	-	-	-	-	417.70	417.70
Total comprehensive income for the period	-	-	-	-	**6,087.75**	**417.70**	**6,505.45**
Balance as at March 31, 2021	**246.93**	**2,878.14**	**44,324.14**	**2,500.00**	**38,466.92**	**1,264.70**	**89,680.83**
Balance as at April 1, 2021	**246.93**	**2,878.14**	**44,324.14**	**2,500.00**	**38,466.92**	**1,264.70**	**89,680.83**
Total comprehensive income for the period							
Profit for the year	-	-	-		14,049.25	-	14,049.25
Remeasurements of post-employment benefit obligation, (net of tax) accounted through Other comprehensive income	-	-	-	-	(197.59)	-	(197.59)
Foreign currency translation	-	-	-	-	-	(303.92)	(303.92)
Equity share issued during the year	-	-	-		-	-	-
Dividend paid	-	-	-	-	(448.80)	-	(448.80)
Transfer to retained earnings	-	-	-	(2,500.00)	2,500.00	-	-
Total comprehensive income for the period	-	-	-	**(2,500.00)**	**15,902.86**	**(303.92)**	**13,098.94**
Balance as at March 31, 2022	**246.93**	**2,878.14**	**44,324.14**	-	**54,369.78**	**960.78**	**102,779.78**

For description of reserves Refer Note 16

The accompanying notes form an integral part of the consolidated financial statements. (2-50)

As per our report of even date attached

For C N K & Associates LLP
Chartered Accountants
Firm's Registration No : 101961 W/W - 100036

For and on behalf of the Board of Directors,
Elecon Engineering Company Limited
CIN: L29100GJ1960PLC001082

Himanshu Kishnadwala
Partner
Membership No: 037391

Prayasvin Patel
Chairman & Managing Director
DIN : 00037394

Dr. Sonal V. Ambani
Director
DIN : 02404841

Narasimhan Raghunathan
Chief Financial Officer

Bharti Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31st March, 2022

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Cash flow from operating activities		
Profit before tax	**17,052.64**	**8,129.15**
Adjustments for :		
(i) Share of profit of associates	(144.23)	(187.39)
(ii) Depreciation and amortisation expense	4,857.64	5,211.23
(iii) Finance costs	3,734.12	5,980.64
(iv) Gain on sale of investment	-	
(iv) (Gain)/loss on fair valuation of investment	11.72	(57.41)
(v) Loss on sold/discarded of property, plant and equipments (net)	461.60	18.90
(vi) Interest income	(183.50)	(220.96)
(vii) Dividend income	(0.02)	(0.02)
(viii) Bad debts written off	2,125.18	11,418.69
(ix) Unrealised exchange (gain)/loss	2,720.37	(527.82)
(x) Provision for other contract liabilities, warranty and others	646.75	506.05
(xi) Increase/(reversal) of provison for onerous contract	(98.09)	145.78
(xii) Liabilities written back	(92.52)	(113.22)
(xii) Provision for doubtful debts	(741.03)	-
(xiii) Excess provision on doubtful debts written back	-	(7,362.77)
	30,350.64	**22,940.85**
Working Capital Adjustments		
Decrease/(increase) in trade receivables	7,772.18	6,499.86
Decrease in inventories	(1,144.35)	5,632.77
(Increase)/decrease in financial assets	12,840.93	(3,551.77)
Decrease in other current and non-current assets	910.73	1,175.74
(Decrease)/increase in trade payables	(15,107.10)	(9,236.12)
Increase in provisions, other current and non-current liabilities	(4,591.20)	710.29
Increase/(decrease) in other financial liabilities	(2,931.17)	592.10
Cash generated from operations	**28,100.66**	**24,763.72**
Tax refund (net of taxes paid)	(3,097.13)	38.95
Net cash generated from operating activities (A)	**25,003.54**	**24,802.67**
Cash flow from investing activities		
Payments for purchase of property, plant and equipment	(4,856.38)	(396.67)
Proceeds from sale of property, plant and equipment	780.68	134.79
Interest received	247.23	210.06
Dividend received	0.02	0.02
(Increase) in bank balances not considered as cash and cash equivalents (net)	2,595.96	(1,967.75)
Dividend received from associate	47.92	44.51
Proceeds from redemption of investments	-	107.29
Net cash (used in) from investing activities (B)	**(1,184.58)**	**(1,867.75)**

CONSOLIDATED STATEMENT OF CASH FLOWS (Contd...)
for the year ended 31st March, 2022

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Cash flow from financing activities		
Repayment of non current borrowings (footnote 4)	(14,501.72)	(2,394.71)
Repayment of current borrowings (net) (footnote 4)	(3,507.01)	(11,443.40)
Repayment against other financing arrangements	(1,061.36)	(944.03)
Finance cost paid	(4,588.74)	(5,576.13)
Dividend paid (including dividend distribution tax)	(456.57)	(13.71)
Principal payment of lease liabilities	(881.85)	(676.51)
Net cash (used in) financing activities (C)	**(24,997.24)**	**(21,048.49)**
Net decrease in cash and cash equivalents (A+B+C)	**(1,178.30)**	**1,886.43**
Cash and cash equivalents at 1 April (Refer Note 13)	**9,614.49**	**7,728.06**
Cash and cash equivalents at 31 March (Refer Note 13)	**8,436.21**	**9,614.49**
Components of cash & cash equivalents :		
Cash on hand	0.26	0.26
Balances with banks		
In current accounts	7,640.94	9,593.23
Cheques on hand	-	21.00
In deposit account (with original maturity up to 3 months)	795.01	-
	8,436.21	**9,614.49**

Notes:

1. Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.
2. The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.
3. In accordance with para 22 of Ind AS 7 - Statement of Cash Flows, cash flows from current borrowings have been reported on net basis since these being working capital facilities, the maturities are short.
4. Movement in liabilities arising from financing activities as at 31 March 2022:

Particulars	Borrowings	Lease Liabilities	Dividends paid (including taxes)	Finance costs
Balance at the beginning of the year	28,618.98	4,893.23	-	286.70
Repayment of borrowings (net)	(18,008.73)	(1,943.21)	-	-
Impact of Effective Interest Rate (EIR)	(608.50)	-	-	608.50
Dividend paid (including taxes)	-	-	**(456.57)**	-
Finance cost paid	-	(170.66)	-	(4,588.74)
Net cash outflows	**10,001.75**	**2,779.36**	**(456.57)**	**(3,693.54)**
Interest accrued during the year	-	170.66	-	-
Remeasurement of lease liability	-	1,825.15	-	-
Charge to statement of profit and loss	-	-	-	3,734.12
Foreign exchange fluctuation	-	172.05	-	-
Balance at the end of the year	**10,001.75**	**5,117.88**	**-**	**40.58**

The accompanying notes form an integral part of the consolidated financial statements. (2-50)

As per our report of even date attached

For CNK & Associates LLP
Chartered Accountants
Firm's Registration No : 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No: 037391

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

For and on behalf of the Board of Directors,
Elecon Engineering Company Limited
CIN: L29100GJ1960PLC001082

Prayasvin Patel
Chairman & Managing Director
DIN : 00037394

Dr. Sonal V. Ambani
Director
DIN : 02404841

Narasimhan Raghunathan
Chief Financial Officer

Bharti Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

1. **Reporting entity**

Elecon Engineering Limited ('the Holding Company or Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the Bombay Stock Exchange ('BSE') and National Stock Exchange ('NSE') in India. The registered office of the Company is located at Anand-Sojitra Road, Vallabh Vidyanagar, Gujarat.

These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associates. The Group is involved in the design and manufacturing of Material Handling Equipment and Industrial Gears and also involved in providing erection and commissioning solutions for its products.

2. **Basis of preparation**

2.1 **Statement of compliance**

Consolidated financial statements of the Group comprises, the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (herein referred to as "Consolidated financial statements". These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Details of the Group's accounting policies are included in Note 2.6.

2.2 **Functional currency and presentation currency**

These consolidated financial statements are presented in Indian Rupees (`), which is also the Holding Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

2.3 **Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Particulars	Measurement basis
a) Investments in certain equity shares of entities other than subsidiaries and associates	Fair value
b) Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

2.4 **Use of estimates and judgments**

In preparing these consolidated financial statements, the Group's management ('the Management") has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- **Note 6 –** identification of whether the Group has significant influence over an investee where the shareholding is below 20% of the issued share capital.
- **Note 4** – identification of the land &/or building as an investment property.
- **Note 6** – determining the amount of Impairment loss.
- **Note 37** – determining the amount of expected credit loss on financial assets (including trade receivables)
- **Note 42** – identification of reportable operating segments; and
- **Note 25 and 2.6 o** – identification of performance obligation in revenue recognition

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31st March, 2022 is included in the following notes:

- **Note 3-5** – estimate of useful life used for the purposes of depreciation and amortisation on property plant and equipment, investment properties and intangible assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

- **Note 35 –** recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- **Note 39** – measurement of defined benefit obligations: key actuarial assumptions;
- **Notes 19, 23 and 39** – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- **Note 36** – impairment of financial assets.
- **Note 25 and 42** – Revenue recognition based on percentage of completion and provision for onerous contracts
- **Note 3 and 18** - Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Group's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

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

2.5 Measurement of fair values

Some of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a financial reporting team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The financial reporting team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as pricing services, is used to measure fair values, then the financial reporting team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- **Note 4** – investment property;
- **Note 36** – financial instruments.

2.6 Significant accounting policies

a) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value

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of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities .

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

Business combinations (other than common control business combinations)

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment (see Note 2.6 (g)). Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the statement of profit and loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity.

Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re- measured at its acquisition date fair value and any resulting gain or loss is recognised in the statement of profit and loss or OCI, as appropriate.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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 over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group

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transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) **Operating cycle**

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Group has considered the operating cycle as the life of the project for project related assets and liabilities and for rest of the assets and liabilities it has been considered as 12 months.

c) **Foreign currency transactions**

Transactions in foreign currencies are translated into the functional currency of the Group companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the statement of profit and loss.

d) **Financial instruments**

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

Financial assets - classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the 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.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis. At present there are no such investments.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets : Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses for financial assets held by the Group

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss. Presently, all the financial liabilities are measured at amortised cost.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments:

The Group uses derivative financial instruments, such as foreign exchange forward contracts to manage its exposure to foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

e) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Subsequent measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

The estimate of the useful life of the assets for Holding Company has been assessed based on technical advice which considers 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, etc. Details of

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useful life considered for depreciation along with method of depreciation are provided below:

(i) **For Holding Company**

- Plant and Machineries are depreciated on Straight line Method (SLM) as per the estimated useful life of the asset: 5 to 35 years
- Buildings are depreciated on Written Down Value Method (WDV) as per the estimated useful life of the asset: 10 to 60 years
- In respect of all other PPE, depreciation is provided on WDV as per the useful life prescribed in Schedule II to the Companies Act, 2013.

(ii) **For Overseas Company**

- Plant and Machineries and Buildings are depreciated on Straight line Method (SLM) as per the estimated useful life of the asset: 7 and 20 years respectively.
- In respect to all other PPE, depreciation is provided on Straight line Method (SLM) as per the estimated useful life of the asset: 4 to 5 years.

The management believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of PPE outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The consequential gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the statement of profit and loss.

f) **Capital Work-In-Progress.**

Projects under construction wherein assets are not ready for use in the manner as intended by the management are shown as Capital Work-In-Progress.

g) **Goodwill and other Intangible assets**

Goodwill

For measurement of goodwill that arises on a business combination (see Note 2.6 (a) (i)). Subsequent measurement is at cost less any accumulated impairment losses.

In respect of business combinations that occurred prior to 1 April 2014, goodwill is included on the basis of its deemed cost, which represents the amount recorded under Previous GAAP, adjusted for the reclassification of certain intangibles.

Internally generated: Research and development and software development

Expenditure on research activities is recognised in the statement of profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in the statement of profit and loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets

Other intangible assets including those acquired by the Group in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent measurement

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

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Amortisation

Amortisation is calculated to amortise the cost of intangible assets over their estimated useful lives (6 years) using the straight-line method and is included in depreciation and amortisation in the statement of profit and loss.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

h) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model. Investment property includes freehold/leasehold land and building.

Depreciation

Based on technical evaluation and consequent advice, the management believes a period of 25-40 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Group depreciates investment properties over this period on a straight- line basis. This is different from the indicative useful life of relevant type of assets mentioned in Schedule II to the Companies Act 2013.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the period in which the property is derecognized.

i) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average cost basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost basis.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on Weighted Average Cost basis.
- **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realisable value is made on an item-by-item basis.

j) Impairment

Impairment of financial assets

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being significantly past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract

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revenue receivables. Under the simplified approach, the Group is not required to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs together with appropriate management estimates for credit loss at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the group of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Impairment of non-financial assets

The Group's non-financial assets, other than inventories, deferred tax assets, investment properties and contract assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. Assets (other than goodwill) for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

k) **Employee benefits**

Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group makes specified monthly contributions towards government administered provident fund scheme. Obligations for contributions to defined

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contribution plans are recognised as an employee benefit expense in the statement of profit and loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Re-measurements gains or losses are recognised in the statement of profit and loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

l) Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

m) Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighing of all possible outcomes by their associated probabilities.

The Group provides normal warranty provisions for general repairs for 18 months from date of material dispatched or 12 months from commissioning whichever is earlier on all its products sold, in line with the industry practice. A liability is recognised at the time the product is sold. The Group does not provide any extended warranties to its customers.

n) Provisions (other than employee benefits) Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the

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contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

o) **Revenue recognition**

Sale of goods and services

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer, which generally coincides with the delivery of goods to customers, based on contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers.

Revenue from services rendered is recognised when services are rendered.

Construction contracts

Performance obligations with reference to construction contracts are satisfied over the period of time, and accordingly, revenue from such contracts is recognized based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs in certain contracts or for other contracts is determined using output method. Revenue is the transaction price that the Group is entitled to. Variable consideration such as liquidated damages and price variation are included in the transaction price, if it is highly probable that the significant reversal of revenue will not occur once associated uncertainty is resolved. Variation in contract work and other claims are included to the extent that the amount can be measured reliably and it is agreed with customer.

Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognized in the period in which estimates are revised.

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in the statement of profit and loss.

Performance Obligations

If a contract contains more than one distinct goods and service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices.

Rental income

Rental income from investment property is recognised as part of revenue from operations in the statement of profit and loss on a straight-line basis over the term of the lease.

Dividend and Interest income

Dividend income from investments is recognised when the Company's right to receive payment is established.

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Insurance claim

Insurance claims are recognised on the basis of claims admitted / expected to be admitted, to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

Export Incentives

Export benefits available under prevalent schemes are accounted to the extent considered receivable.

Other Income

Other income is comprised primarily of gain / loss on investments, exchange gain/loss on foreign currency transactions, discount income and other income.

Contract balances

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Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer e.g. unbilled revenue. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset i.e. unbilled revenue is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

p) **Leases**

The Group at inception of a contract, assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option.

In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

q) Income taxes

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments , do not meet the definition of income taxes and therefore accounted for them under Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax 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.

r) Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense basis the Effective Interest Rate (EIR) method for non-current borrowings and for current borrowings the same are charged to the statement of profit and loss as and when incurred.

s) 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. For the disclosure on reportable segments see Note 41.

t) Cash and cash equivalents

Cash and cash equivalents comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

u) **Government grants**

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to revenue are recognized on a systematic basis in net profit in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

v) **Contingent Assets**

Contingent Assets are not recognised in the financial statements.

w) **Contingent Liabilities**

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by the future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

x) **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from the operating, investing and financing activities of the Company are segregated. In the cash-flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in liabilities on the balance sheet.

y) **The Dividend Distribution to equity shareholders:**

The Holding Company recognises 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 Holding Company. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in other equity along with any tax thereon.

z) **Earnings per share**

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Holding Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.7 **Recent pronouncements**

The following standards / amendments to standards have been issued and will be effective from 1st April 2022. The Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

- Indian Accounting Standard (Ind AS) 103 – Business Combinations – Qualifications prescribed for recognition of the identifiable assets acquired and liabilities assumed, as part of applying the acquisition method – should meet the definition of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework) issued by the ICAI at the acquisition date.

  Modification to the exceptions to recognition principle relating to contingent liabilities and contingent assets acquired in a business combination at the acquisition date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

- **Indian Accounting Standard (Ind AS) 109** - Financial Instruments - Modification in accounting treatment of certain costs incurred on derecognition of financial liabilities.
- **Indian Accounting Standard (Ind AS) 16** - Property, Plant and Equipment - Modification in treatment of excess of net sale proceeds of items produced over the cost of testing as part of cost of an item of property, plant, and equipment.
- **Indian Accounting Standard (Ind AS) 37** - Provisions, Contingent Liabilities and Contingent Assets - Modifications in application of recognition and measurement principles relating to onerous contracts.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
as at 31st March, 2022

3. Property, plant and equipment

(` in Lakh)

Particulars	Land	Buildings	Plant & equipment	Furniture & fixture	Vehicles	Office equipment	Electrical installations & fittings	Sundry equipment	Total	Capital work in progress (CWIP)
Cost										
As at April 1, 2020	**27,453.32**	**7,662.06**	**45,791.23**	**876.32**	**877.12**	**1,348.77**	**1,648.54**	**1,469.45**	**87,126.81**	**40.50**
Additions	-	68.91	125.22	2.05	12.96	139.93	16.25	5.05	370.37	360.83
Deductions	-	-	(260.18)	(11.40)	(258.15)	(2.64)	-	-	(532.37)	-
Exchange difference	-	(227.44)	177.87	14.71	(1.90)	2.11	-	(75.35)	(110.00)	-
Capitalised	-	-	-	-	-	-	-	-	-	(370.37)
As at March 31, 2021	**27,453.32**	**7,503.53**	**45,834.14**	**881.68**	**630.03**	**1,488.17**	**1,664.79**	**1,399.15**	**86,854.81**	**30.96**
Additions	-	27.73	1,680.72	0.57	11.93	125.60	93.53	55.75	1,995.83	1,951.06
Deductions	(21.07)	(11.90)	(1,312.32)	(392.64)	(324.94)	(353.77)	-	(280.79)	(2,697.44)	-
Exchange difference	-	43.76	(1,950.03)	14.65	(17.41)	9.23	(1,079.66)	(67.03)	(3,046.48)	-
Capitalised	-	-	-	-	-	-	-	-	-	(1,930.78)
As at March 31, 2022	**27,432.24**	**7,563.11**	**44,252.50**	**504.27**	**299.61**	**1,269.23**	**678.67**	**1,107.08**	**83,106.71**	**51.24**
Accumulated depreciation										
As at April 1, 2020	-	**3,798.13**	**19,135.96**	**707.16**	**636.84**	**1,118.52**	**1,461.26**	**1,316.12**	**28,173.99**	-
Depreciation for the year	-	427.24	3,311.81	46.56	66.03	123.77	54.89	99.47	4,129.77	-
Deductions	-	-	(156.85)	(11.40)	(208.18)	(2.25)	-	-	(378.68)	-
Exchange difference		66.29	172.29	14.51	(0.99)	1.91	0.01	(158.74)	95.28	-
As at March 31, 2021	-	**4,291.66**	**22,463.21**	**756.83**	**493.70**	**1,241.95**	**1,516.16**	**1,256.85**	**32,020.35**	-
Depreciation for the year	-	391.56	3,115.32	27.54	28.51	114.40	42.48	77.99	3,797.80	-
Deductions	-	(3.43)	(801.03)	(360.61)	(256.28)	(314.74)	(109.87)	(262.37)	(2,108.33)	-
Recoupment/Adjustment	-	(16.70)	(1,762.78)	12.34	25.94	7.95	(951.83)	-	(2,685.08)	-
Exchange difference	-	21.78	-180.67	-2.07	(44.54)	0.46	-	24.31	(180.73)	-
As at March 31, 2022	-	**4,684.86**	**22,834.04**	**434.03**	**247.33**	**1,050.02**	**496.95**	**1,096.78**	**30,844.01**	
Carrying value (net)										-
As at March 31, 2022	**27,432.24**	**2,878.25**	**21,418.46**	**70.24**	**52.28**	**219.21**	**181.72**	**10.30**	**52,262.72**	-
As at March 31, 2021	**27,453.32**	**3,211.87**	**23,370.93**	**124.85**	**136.33**	**246.22**	**148.63**	**142.30**	**54,834.46**	-

Notes :

1) Refer to Note 17 for information on property, plant and equipment pledged as security by the Group.
2) For capital commitments, Refer note 40 (b).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
as at 31st March, 2022

The following is the movement in Right of use Assets (ROU) during the year ended 31st March, 2022 (` in Lakhs)

Particulars	Lease-hold Land	Building	Vehicles	Plant & Equipments	Total
Cost					
As at April 1, 2020 (Transition impact on adoption of Ind AS 116)	3,936.33	3,050.16	189.87	95.81	7,272.17
Additions	-	75.32	43.43	-	118.75
Remeasurement due to lease modification	-	34.21	-	-	34.21
Deductions	-	(24.68)	-	(39.06)	(63.74)
Exchange difference	-	27.73	27.30	2.43	57.46
As at March 31, 2021	**3,936.33**	**3,162.74**	**260.60**	**59.18**	**7,418.85**
Additions	-	1,586.79	229.01	9.35	1,825.15
Deductions	-	(520.30)	(132.87)	-	(653.17)
Recoupment/Adjustment	-	(19.41)	-	(0.01)	(19.42)
Exchange difference	-	(1.90)	86.65	9.04	93.79
As at March 31, 2022	**3,936.33**	**4,207.92**	**443.40**	**77.55**	**8,665.20**
Accumulated Depreciation					
As at April 1, 2020	**71.30**	**550.31**	**51.70**	**58.96**	**732.27**
Depreciation for the year	71.31	588.34	87.04	41.25	787.94
Deductions	-	(24.68)	-	(39.06)	(63.74)
Exchange difference	-	56.48	22.42	(16.59)	62.31
As at March 31, 2021	**142.61**	**1,170.45**	**161.16**	**44.55**	**1,518.77**
Depreciation for the year	71.31	599.81	93.64	13.25	778.00
Deductions	-	(520.30)	(132.87)	-	(653.17)
Recoupment/Adjustment	-	(19.41)	-	1.96	(17.45)
Exchange difference	-	5.60	31.81	(21.96)	15.45
As at March 31, 2022	**213.92**	**1,236.14**	**153.74**	**37.80**	**1,641.60**
Carrying value (net) as at March 31, 2022	**3,722.41**	**2,971.77**	**289.65**	**39.75**	**7,023.59**
Carrying value (net) as at March 31, 2021	**3,793.72**	**1,992.29**	**99.44**	**14.63**	**5,900.08**

3. CWIP Ageing Schedule

(i) For the year ending March 31, 2022. (` in Lakhs)

CWIP as on 31st March' 22	Amount in CWIP				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	51.24	-	-	-	51.24

Note: There are no projects whose completion is overdue or has exceeded its cost.

(ii) For the year ending March 31, 2021. (` in Lakhs)

CWIP as on 31st March' 21	Amount in CWIP				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	29.92	-	-	1.04	30.96

Note: There are no projects whose completion is overdue or has exceeded its cost.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

4. Investment Property

(` in Lakhs)

Particulars	Land	Office Building	Total
Cost			
As at April 1, 2020	**2,300.29**	**335.62**	**2,635.91**
Additions	-	-	-
As at March 31, 2021	**2,300.29**	**335.62**	**2,635.91**
Additions	-	-	-
As at March 31, 2022	**2,300.29**	**335.62**	**2,635.91**
Depreciation and Impairment			
As at April 1, 2020	**-**	**75.92**	**75.92**
Depreciation for the year	-	12.99	12.99
As at March 31, 2021	**-**	**88.91**	**88.91**
Depreciation for the year	-	12.34	12.34
As at March 31, 2022	**-**	**101.25**	**101.25**
Carrying value (net)			
As at March 31, 2022	**2,300.29**	**234.38**	**2,534.67**
As at March 31, 2021	2,300.29	246.71	2,547.00

Information regarding income and expenditure of Investment property

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year ended March 31, 2021
Rental income derived from Investment property	13.23	13.57
Direct operating expenses (including repairs and maintenance) generating rental income	1.05	1.04
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment property before depreciation and indirect expenses	**12.18**	**12.53**
Less : Depreciation	**12.34**	**12.99**
(Loss) arising from investment property before indirect expenses	**(0.16)**	**(0.46)**

Notes :

1) Refer note 17 for information on Investment property pledged as security by the Group.
2) The Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

4. Investment Property (Contd...)

Fair value of the Investment property is as under:

(` in Lakhs)

Fair value	Land	Office Building
Balance as at April 1, 2020	2,722.23	601.05
Fair value increase for the year	33.21	17.58
Balance as at March 31, 2021	**2,755.44**	**618.63**
Fair value increase for the year	66.43	35.35
Balance as at March 31, 2022	**2,821.87**	**653.98**

Estimation of fair value

As at 31st March, 2022 and 31st March, 2021 the fair values of the property are based on valuations performed by Registered Valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules 2017.

A valuation model used in determination of investment property' fair values is in accordance with the recommended valuation techniques by the International Valuation Standards Committee.

The Group obtains independent valuations for its investment property at least annually. The best evidence of fair value is current prices in an active market for similar properties.

The valuation of investment property as at 31st March, 2022 and 31st March, 2021 is done based on market feedback on values of similar properties and hence considered under "Level 2" of fair value measurement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

5. Other Intangible Assets

(` in Lakhs)

Particulars	Intangible assets				Goodwill
	Computer Software	Technical Knowhow -Acquired	Licenses	Total	
Cost					
As at April 1, 2020	**1,064.09**	**1,971.04**	**381.71**	**3,416.84**	**9,890.03**
Additions	13.50	-	-	13.50	-
Exchange rate movement	-	308.44	-	308.44	822.12
As at March 31, 2021	**1,077.59**	**2,279.48**	**381.71**	**3,738.78**	**10,712.15**
Additions	-	-	-	-	-
Recoupment / Adjustment	88.68	341.63	191.05	621.36	-
Deductions	(526.78)	(384.31)	(532.38)	(1,443.47)	-
Exchange rate movement	-	(32.59)	-	(32.59)	(146.00)
As at March 31, 2022	**639.49**	**2,204.21**	**40.38**	**2,884.08**	**10,566.15**
Accumulated amortisation	-	-	-	-	-
As at April 1, 2020	**672.56**	**445.40**	**346.47**	**1,464.43**	**-**
Amortisation for the year	127.57	140.25	12.72	280.54	-
Exchange rate movement	-	196.17	-	196.17	-
As at March 31, 2021	**800.13**	**781.82**	**359.19**	**1,941.14**	**-**
Amortisation for the year	104.46	157.38	7.67	269.51	-
Recoupment / Adjustment	88.82	341.50	191.04	621.36	-
Deductions	(526.78)	(384.31)	(532.38)	(1,443.47)	-
Exchange rate movement	-	(35.77)	-	(35.77)	-
As at March 31, 2022	**466.63**	**860.62**	**25.52**	**1,352.77**	**-**
Carrying value (net)					
As at March 31, 2022	**172.86**	**1,343.59**	**14.86**	**1,531.31**	**10,566.15**
As at March 31, 2021	277.46	1,497.66	22.52	1,797.64	10,712.15

Notes :-

" - The carrying value of goodwill predominantly relates to the goodwill that arose on the acquisition of Radicon Transmission Limited group (BR Group) and has been tested in both periods against the recoverable amount of BR Group cash generating unit (CGU), by the Group. This goodwill relates to expected synergies from combining BR Group's activities with those of the Group and to assets, which could not be recognised as separately identifiable intangible assets. The goodwill is tested annually for impairment or more frequently if there are any indications that the goodwill may be impaired.

The recoverable amount of BR Group CGU has been determined from a value in use calculation. The calculation uses cash flow forecasts based on the most recently approved financial budgets and strategic forecasts and future projections taking the analysis out to 5 years. Key assumptions includes discount rate of 11.18% p.a. (March 31, 2021: 7.00% p.a.). Changes in selling prices and raw material costs are based on expectations of future changes in the market based on external market sources. Terminal growth rate of 0.50% p.a. (March 31, 2021: 0.50% p.a.) is used in the cash flow projections. The post-tax discount rate is mainly derived from the main entities operating out of the USA, UK and Sweden weighted average cost of capital (WACC). The outcome of the Group's goodwill impairment test as at 31st March, 2022 for the BR Group CGU resulted in no impairment of goodwill (March 31, 2021: Nil).

The management believes that no reasonably possible change in any of the key assumptions used in the value in use calculation would cause the carrying value of the CGU to materially exceed its value in use."

- Computer software consists of capitalised development costs of Enterprise Resource Planning software being internally generated intangible assets.
- There are no Intangible Assets under development as on 31st March, 2022 and March 31, 2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

6. Investments accounted for using the equity method

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
(i) Investment in associates (Fully paid-up) (equity method) (Refer Note 47)		
Investment in Eimco Elecon (India) Limited*		
Cost of investments (958,426 equity shares (March 31, 2021 : 958,426 equity shares) of ` 10 each of Eimco Elecon (India) Limited)	217.29	217.29
Add : Share of post acquisition profit (net of accumulated losses and dividends received)	5,187.47	5,095.56
*The Holding Company has pledged NIL equity shares (March 31, 2021 : 476,000 equity shares) of Eimco Elecon (India) Limited, with the Bank of Baroda, London towards security for loan. Further, 200,000 equity shares (March 31, 2021 : 200,000 equity shares) of Eimco Elecon (India) Limited have been pledged for availing working capital demand loans.		
Total Investment in associate (equity method)	**5,404.76**	**5,312.85**

7. Financial assets - Investments

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Investments carried at fair value through profit and loss:		
Investment in equity shares		
(i) Unquoted		
(a) 200,000 equity Shares (March 31, 2021 : 200,000 equity shares) of ` 10 each of Eimco Elecon Electricals Limited	15.40	22.10
(b) 30 equity shares (March 31, 2021: 30 equity shares) of ` 500 each of Charotar Gas Sahakari Mandali Limited #	0.15	0.15
(A)	**15.55**	**22.25**
Investment in mutual funds (mandatorily measured at FVTPL)		
Quoted		
(a) 637,047.49 units (March 31, 2021 637,047.49 units) of Aditya Birla Sunlife Medium Term Plan - Growth Regular Plan	3.47	8.49
(B)	**3.47**	**8.49**
Total Investments (A+B)	**19.02**	**30.74**
(a) Investments in quoted instruments:		
Aggregate carrying value	3.47	8.49
Aggregate market value	3.47	8.49
(b) Investments in unquoted instruments:		
Aggregate carrying value	15.55	22.25

The Group's investments on disposal will fetch only the principal amount invested and hence the group considers cost and fair value to be the same.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

8. Financial asset - Other financial assets

(` in Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Loans receivable unsecured - considered good				
Unbilled revenue - Contract assets	6,314.06	-	19,136.47	-
Deposits with bank earmarked as margin money	-	186.57	41.99	1,047.55
Accrued interest income	78.19	-	-	52.83
Other receivables - Security deposit	417.84	-	436.36	-
Total other financial assets	**6,810.08**	**186.57**	**19,614.82**	**1,047.55**

Non-current	186.57	1,047.55
Current	6,810.08	19,614.82
Total	**6,996.65**	**20,662.37**

Security deposits are primarily in relation to public utility services, tender deposits and rental properties.

9. Income tax assets (net)

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Advance tax (net of provision for tax)	2,292.53	2,020.33
Total income tax assets (net)	**2,292.53**	**2,020.33**

10. Other non-current assets

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Capital advances	64.68	242.13
Prepaid expenses	204.89	288.25
Balances with government authorities (including amount paid under protest)	665.99	644.79
Total other non-current assets	**935.56**	**1,175.17**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

11. Inventories

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
(At lower of cost and net realisable value)#		
Raw materials	9,149.50	11,146.83
Work-in-progress	9,212.58	6,366.85
Finished goods	5,263.86	4,135.68
Goods in transit	1,696.79	2,073.97
Stores and spares	843.97	1,299.02
Total inventories	**26,166.70**	**25,022.35**
Carring amount of inventories pledged as security for liabilities	**18,041.60**	**21,964.88**

Inventory consumption during the year is included in cost of material consumed. Refer note 27.

#Aforesaid figures are disclosed net of inventory allowance aggregating to ` 1,249.57 lakhs (March 31, 2021: ` 1,609.64 lakhs).

12. Trade receivables

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Trade receivables		
Unsecured, considered good	42,563.42	51,986.92
Unsecured which have significant increase in credit risk	744.85	1,414.27
	43,308.27	**53,401.19**
Less : Allowance for expected credit loss*	(1,800.83)	(2,627.58)
Total Trade receivables	**41,507.44**	**50,773.61**
Receivable from third parties (net of allowance)	41,023.32	49,404.53
Receivables from related parties (Refer Note 38)	484.12	1,369.08
Total	**41,507.44**	**50,773.61**

Includes retention money receivable amounting to ` 16,376.34 Lakhs (March 31, 2021 - ` 20,265.45 Lakhs).

Allowance for expected credit loss (ECL)

*Allowance for expected credit loss is calculated based on the ECL model as described under Ind AS 109. Refer Note 2.6 and Note 36(b) for the Group's accounting policy and basis of calculating ECL allowance.

Movement in allowance for expected credit loss :

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	**2,627.58**	9,845.94
Add : Allowance for the year	1,213.35	472.67
Less : Reversal of allowance	(2,040.10)	(7,691.03)
Balance at the end of the year	**1,800.83**	**2,627.58**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

12. (i) For the year ending March 31 2022. (` in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	20,235.06	7,590.56	993.96	1,740.94	874.77	7,696.54	39,131.83
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	5.76	48.07	53.83
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good		4.97	30.61	14.31	61.80	3,261.06	3,372.76
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	744.85	744.85
(vi) Disputed Trade Receivables – credit impaired	-	-	-	5.00	-	-	5.00
Less: ECL Provision	-	-	-	-	-	-	(1,800.83)
Total	**20,235.06**	**7,595.53**	**1,024.57**	**1,760.25**	**942.34**	**11,750.53**	**41,507.44**

Includes retention money receivable amounting to ` 13,473.97 lakhs.

(ii) For the year ending March 31, 2021. (` in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	9,955.63	8,133.44	2,261.94	2,871.64	1,970.62	22,388.31	47,581.58
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	5.86	56.13	61.99
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	1.06	8.40	39.72	49.18
(iv) Disputed Trade Receivables– considered good	53.88	2.35	13.03	61.80	130.16	4,016.17	4,277.40
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	215.03	15.55	-	1,183.70	1,414.27
(vi) Disputed Trade Receivables – credit impaired	-	5.09	-	-	8.40	3.28	16.77
Less: ECL Provision	-	-	-	-	-	-	(2,627.58)
Total	**10,009.52**	**8,140.87**	**2,489.99**	**2,950.05**	**2,123.44**	**27,687.31**	**50,773.61**

Includes retention money receivable amounting to ` 16,376.34 lakhs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

(` in Lakhs)

13. Cash and bank balances

	Particulars	March 31, 2022	March 31, 2021
(a)	**Cash and Cash Equivalents**		
	Balances with bank		
	- Current accounts and debit balance in cash credit accounts	7,640.94	9,593.23
	Cheques on hand	-	21.00
	Deposit account (with maturity up to 3 months)	795.01	-
	Cash on hand	0.26	0.26
	Total cash and cash equivalents	**8,436.21**	**9,614.49**
(b)	**Bank balances other than above**		
	Deposits due to mature within 12 months of reporting date*	2,715.72	4,464.68
	Unpaid dividend accounts	61.51	69.28
	Total other bank balances	**2,777.23**	**4,533.96**
	Total cash and bank balances	**11,213.44**	**14,148.45**

14. Other current assets

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Advance to suppliers	470.30	1,227.80
Receivable from government authorities	712.82	596.04
Prepaid expenses	1,548.82	1,580.83
Others	223.21	399.05
Total other current assets	**2,955.15**	**3,803.72**

15. Share Capital

Particulars	March 31, 2022		March 31, 2021	
	No. of shares	` in Lakhs	No. of shares	` in Lakhs
Authorised share capital				
Equity shares of ` 2 each	227,500,000	4,550.00	227,500,000	4,550.00
Cumulative Redeemable Preference Shares of ` 2 each	25,000,000	500.00	25,000,000	500.00
Non-cumulative non-convertible Redeemable Preference Shares of ` 100 each	12,750,000	12,750.00	12,750,000	12,750.00
	265,250,000	**17,800.00**	**265,250,000**	**17,800.00**
Issued, subscribed and fully paid up				
Equity shares of ` 2 each	112,199,965	2,244.00	112,199,965	2,244.00
Total Equity Share Capital	**112,199,965**	**2,244.00**	**112,199,965**	**2,244.00**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

(` in Lakhs)

15.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	March 31, 2022		March 31, 2021	
	No. of shares	` in Lakhs	No. of shares	` in Lakhs
At the beginning and at the end of the year	112,199,965	2,244.00	112,199,965	2,244.00

15.2 Rights, preferences and restrictions attached to the equity shares

The Holding Company has only one class of Equity shares having a par value of ` 2 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 which is approved by the Board of Directors.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

15.3 Number of Shares held by each shareholder holding more than 5% Shares in the Holding company

Name of the Shareholder	March 31, 2022		March 31, 2021	
	No. of shares	% of share-holding	No. of shares	% of share-holding
EMTICI Engineering Limited	26,337,818	23.47	26,337,818	23.47
Prayas Engineering Limited	12,230,414	10.90	12,230,414	10.90
K. B. Investments Private. Limited	9,711,418	8.66	9,711,418	8.66
Bipra Investments & Trusts Private Limited	7,286,197	6.49	7,286,197	6.49

15.4 Aggregate number of equity shares allotted as fully paid up pursuant to contract without payment being received in Cash, Bonus Shares issued and shares bought back during the period of 5 years immediately preceding the financial year:-

Particulars	March 31, 2022	March 31, 2021
Equity shares allotted as fully paid up shares by virtue of schemes of arrangement pertaining to FY 2016-17	3,264,122	3,264,122

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

15. Number of shares held by Promoters

Sr. No.	Name of the Promoters/Promoter Group	No. of Shares held at the end of the year [As on 31-March-2022]		No. of Shares held at the end of the year [As on 31-March-2021]		% Change during the year
		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
1.	Emtici Engineering Limited	26,337,818	23.47%	26,337,818	23.47%	-
2.	Prayas Engineering Limited	12,230,414	10.90%	12,230,414	10.90%	-
3.	K. B. Investments Private Limited	9,711,418	8.66%	9,711,418	8.66%	-
4.	Bipra Investments & Trusts Private Limited	7,286,197	6.49%	7,286,197	6.49%	-
5.	Elecon Information Technology Limited	2,868,481	2.56%	2,868,481	2.56%	-
6.	Prayasvin Bhanubhai Patel	1,962,932	1.75%	1,962,932	1.75%	-
7.	Akaaish Mechatronics Limited	1,919,849	1.71%	1,864,849	1.66%	0.05%
8.	Trupti Pradip Patel	1,431,058	1.28%	1,431,058	1.28%	-
9.	Devkishan Investments Private Limited	1,290,814	1.15%	1,290,814	1.15%	-
10.	Akansha Prayasvin Patel	618,470	0.55%	615,220	0.55%	0.00%
11.	B. I. Patel-HUF (Bhanubhai Patel-Karta)	227,490	0.20%	227,490	0.20%	-
12.	Taruna Prayasvin Patel	218,917	0.20%	206,517	0.18%	0.01%
13.	Speciality Woodpack Private Limited	184,332	0.16%	184,332	0.16%	-
14.	Wizard Fincap Limited	184,332	0.16%	184,332	0.16%	-
15.	Power Build Private Limited	15,960	0.01%	15,960	0.01%	-
16.	Aishwarya Prayasvin Patel	5,220	0.00%	2,220	0.00%	0.00%
17.	Aakaaish Investments Private Limited	-	0.00%	-	0.00%	-
18.	Lotus Trust	-	0.00%	-	0.00%	-
	TOTAL holding of Promoters and Promoter Group	**66,493,702**	**59.26%**	**66,420,052**	**59.20%**	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

16. Other Equity
(` in Lakhs)

16.1 Other reserves

Balance	Other reserves					Component of other comprehensive income	Total
	General reserve	Debenture Redemption Reserve	Securities premium	Capital reserve	Retained earnings	Exchange difference on translating the financial statement	
As at April 1, 2020	**44,324.14**	**2,500.00**	**2,878.14**	**246.93**	**32,379.17**	**847.00**	**83,175.38**
Profit for the year	-	-	-	-	5,763.10	-	5,763.10
Other comprehensive income (net of tax)	-	-	-	-	324.65	-	324.65
Foreign currency translation	-	-	-	-	-	417.70	417.70
As at March 31, 2021	**44,324.14**	**2,500.00**	**2,878.14**	**246.93**	**38,466.92**	**1,264.70**	**89,680.83**
Profit for the year	-	-	-	-	14,049.25	-	14,049.25
Other comprehensive income (net of tax)	-	-	-	-	(197.59)	-	(197.59)
Foreign currency translation	-	-	-	-	-	(303.92)	(303.92)
Balance available for appropriation	**44,324.14**	**2,500.00**	**2,878.14**	**246.93**	**52,318.58**	**960.78**	**103,228.57**
Less : Appropriations							
Dividend paid	-	-	-	-	448.80	-	448.80
Transfer to retained earnings	-	(2,500.00)	-	-	2,500.00	-	-
(on redemption of debentures during the year)							
As at March 31, 2022	**44,324.14**	**-**	**2,878.14**	**246.93**	**54,369.79**	**960.78**	**102,779.78**

16.2 Dividend distribution made and proposed
(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Dividends on equity shares declared and paid		
Final dividend for year ended March 31, 2021: ` 0.40 per share (March 31, 2020: ` NIL per share)	448.80	-
	448.80	**-**
Proposed dividends on Equity shares		
Final dividend proposed for the year ended March 31, 2022: ` 1.40 per share (March 31, 2021: ` 0.40 per share)	1,570.80	448.80
	1,570.80	**448.80**

Proposed dividend on equity shares is subject to approval at the Annual General Meeting and is not recognised as a liability as at 31st March, 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

16.3 Description of reserves

General Reserve

General Reserve represents appropriation of retained earnings and are available for distribution to shareholders.

Debenture Redemption Reserve

The Holding Company has created Debenture Redemption Reserve out of the profits of the Company @ 25% of non-convertible redeemable debentures. On redemption of debentures during the year the said Reserve has been transferred to Retained Earnings.

Securities Premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Capital Reserve

Capital reserve is recorded in bargain purchase transaction of business combination in which the fair value of acquired net assets exceeded the purchase consideration. Capital reserve is not available for dividend distribution.

Retained Earnings

Retained earnings represents surplus/accumulated earnings of the Group and are available for distribution to shareholders.

Exchange difference on translating the financial statement

Exchange differences arising on translation of assets, liabilities, income and expenses of the Group's foreign subsidiaries and associates are recognised in other comprehensive income and accumulated separately in foreign currency translation reserve. The amounts recognised are transferred to the consolidated statement of profit and loss on disposal of the related foreign subsidiaries and associates.

17. Borrowings

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Non-current borrowings		
Secured		
Non-convertible redeemable debentures (Refer Note 17.1 (a) and 17.3 (a)&(b))	-	9,840.05
Term Loans		
From banks (Refer Note 17.2 (a) , 17.2 (d) and 17.3 (a) below)	-	126.19
From financial institutions (Refer Note 17.2 (b) and 17.3 (a))	-	1,988.65
From Non Banking Financial Company (Refer Note 17.2 (c) and 17.3 (a))	1,976.23	-
	1,976.23	**11,954.89**
Less : Accrued interest	9.94	213.30
Total non-current borrowings	**1,966.29**	**11,741.59**
Current borrowings		
Secured		
Working capital loan		
From bank (Refer Note 17.3 (c) and 17.3 (d))	8,066.10	12,977.30
Current maturities of non-current borrowings		
- Non-convertible redeemable debentures	-	571.43
- Term loans from financial institutions	-	3,289.34
Unsecured		
Working capital loans		
From others (Refer Note 17.3(d))	-	112.72
	8,066.10	**16,950.79**
Less : Accrued interest	30.64	73.40
Total current borrowings	**8,035.46**	**16,877.39**
Total borrowings	**10,001.75**	**28,618.98**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

17. Borrowings (Contd...)

17.1 Nature of Securities for non-convertible redeemable debentures

a) Non-convertible redeemable debentures are secured by way of:-

1. Exclusive charge over Madhubhan resort owned by Emtici Engineering Limited at Vallabh Vidyanagar, Gujarat.
2. Corporate Guarantee of Emtici Engineering Limited to the extent of ` 15,000 Lakhs.
3. Residual charge over current assets and property, plant and equipment of the Company.
4. First exclusive charge over Debt Service Reserve Account
5. Post dated cheques for interest and principal payments from the Company and Undated cheques from Emtici Engineering Limited
6. Exclusive charge over certain land parcels of the Company at Vallabh Vidyanagar.

17.2 Nature of Securities For Term Loans

a) Term Loans from Bank - Loan from Bank of Baroda London are secured by exclusive charge by way of:

1. First Charge by way of mortgage charge on the Assets of Benzler TBA BV
2. First charge on the Movable Assets of the Radicon Transmission UK Limited, Benzler TBA BV and Elecon USA Transmission Limited
3. Pledge of the shareholding of Radicon Transmission UK Ltd held by Holding Company.
4. Pledge of the shares held Radicon Transmission UK Ltd in, Benzlers System AB and Pledge of shares held by Radicon Transmission UK Ltd in Elecon USA Transmission Ltd.
5. Negative pledge over the entire target assets of Radicon Transmission UK Ltd including target IPRs.
6. Corporate Guarantee of Holding Company
7. Corporate Guarantee of Elecon USA Transmission Limited
8. Escrow over all receivables of the entire shareholding of the borrower i.e. Radicon Transmission UK Ltd in Benzler TBA BV and Elecon USA Transmission Ltd.
9. Pledge of shares of Eimco Elecon (India) Limited held by Holding Company, or any other security of equivalent value.

b) Term Loans from financial institution - Loan from IFCI Limited is secured by way of:-

1. Exclusive charge by way of hypothecation on specific Plant and Machineries.
2. Exclusive mortgage of commercial property of Emtici Engineering Limited located at office No. 21, Yashwant Apartment, Pune - 411004. and Corporate Guarantee of Emtici Engineering Limited to the extent of ` 9,500 Lakhs.
3. Pledge of shares of the Company owned by Emtici Engineering Limited of 0.7 times of outstanding loan amount.
4. Post dated cheques for Interest and Principal Payments.

c) Term Loans from financial institution - Loan from Bajaj Finance Limited is secured by way of :-

1. Exclusive charge by way of hypothecation on specific plant and machineries.
2. Exclusive mortgage to be executed of commercial property of Emtici Engineering Limited (EEL), Related party located at office No. 21, Yashwant Apartment, Pune - 411004 and Corporate Guarantee of Emtici Engineering Limited to the extent of ` 3,500 Lakhs.
3. Pledge of 7,500 Lakhs shares of the Company owned by EEL
4. Debt Serice Reserve Account of ` 80 Lakhs in form of Fixed Deposit.

d) Rate of interests for non-current borrowings

Name of the Bank	Interest Rate %	
	March 31, 2022	March 31, 2021
IFCI Limited	12.00%	12.00%
Bajaj Finance Limited	8.75%	-
Tata Capital Financial Services	-	11.70%
Bank of Baroda, London	4.00%	4.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

17. Borrowings (Contd...)

17.3 Terms of repayment of non-convertible redeemable debentures, term loans and other loans

*a) Term Loans**

(` in Lakhs)

Lender	March 31, 2022	March 31, 2021	Terms of Repayment
(i) Non Convertible Debentures - Series I	-	571.43	Repayable in quarterly instalments of ` 142.86 lakhs from August 2020 till February 2022.
(ii) Non Convertible Debentures - Series II	-	9,000.00	Repayable in quarterly instalments of ` 1,125.00 lakhs from May 2022 till February 2024.
(iii) IFCI Limited	-	3,400.00	Repayable in quarterly instalments amounting to ` 250.00 Lakhs from quarter ending Dec'20 and ` 350.00 Lakhs from quarter ending Mar'21.
(iv) Bajaj Finance Limited	2,592.50	-	Repayable in 20 quarterly instalments amounting to ` 152.50 Lakhs.
(vi) Bank of Baroda, London	-	126.19	Repayable in 20 quarterly installments of GBP 125,000 & 375,000 after 12 months from drawdown date of March 31, 2018.
	2,592.50	**13,097.62**	

*excluding accrued interest and amortised cost but including current maturity of non-current borrowings.

During the previous year, the Holding Company had prepaid its Non-Convertible Debentures (Series I and II) from internal accruals.

During the previous year, the Group had prepaid its term loans and working capital loans from Bank of Baroda, from internal accruals.

The Group's Management periodically reviews compliance with terms and conditions of existing loan agreements to identify any non-adherence at each reporting date and obtains confirmations from the respective lenders on existing terms and conditions basis which borrowings are disclosed as current and non-current at each reporting date. Pursuant to such periodical review, the group's management has identified non-adherence to certain debt covenants and has obtained confirmations from the concerned lender on continuance of existing terms and conditions.

(` in Lakhs)

b) Maturity profile and rate of interest of non-convertible debentures are set out as below*:

Effective Rate of Interest	2023-24	2022-23	2021-22
Series - I 14.50%, Series II - 17.42%	4,500.00	4,500.00	571.44

* excluding accrued interest and amortised cost. Including current maturity of non-current borrowings. However borrowings at amortised cost is disclosed in Note 36.

c) Nature of Securities {(a) Loans repayable on demand}

(i) Working Capital Loans from banks granted by Consortium of Banks consisting of State Bank of India (As Lead Bank), Bank of Baroda, Axis Bank, IDBI Bank and HDFC Bank (Including guarantees issued by them in favour of various clients of the Company) are secured by:-

a) First pari passu hypothecation charge over all the current assets of the Company, present and future

b) Extension of first pari passu mortgage / hypothecation charge over property, plant and equipment (movable and immovable) present and future, excluding certain assets specifically / exclusively charged to other banks/ financial institutions

c) Registered mortgage, on first pari passu basis, of land bearing Survey No.365 and 366 in the name of Prayas Engineering Limited (PEL) a related party.

d) Pledge of 200,000 shares of Eimco Elecon (India) Limited, an associate company held by the company.

e) Undertaking for non disposal of various land parcels of the company as per loan sanction letter.

f) Corporate guarantees of PEL and EEL to the extent of ` 96,450 Lakhs respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

17. Borrowings (Contd...)

Name of the Bank	Interest Rate %	
	March 31, 2022	March 31, 2021
State Bank of India	5.75% to 9.50%	7.60% to 9.95%
Bank of Baroda	9.35% to 9.65%	9.25% to 12.00%
IDBI Bank Ltd.	6.40% to 10.30%	10.00% to 12.50%
Axis Bank Ltd.	0.92% to 10.25%	4.99% to 10.95%
HDFC Bank Ltd.	6.75% to 9.90%	9.70% to 10.10%
Bank of Baroda, London	4.25%	4.25%

(ii) Working Capital Loan obtained from Bank of Baroda, London is secured by way of

- Pledge of receivables, inter-company receivables, inter-company debtors, bank accounts, insurance claims and other current assets of Holding Company and its subsidiaries.
- Pledge of shares of Radicon UK Transmission Limitd, Radicon USA Transmission Limited and David Brown Systems Sweden AB.
- Corporate Guarantee given by Elecon Engineering Company Ltd.
- Pledge of shares of the Company held by Elecon Engineering Company Limited.
- Pledge of immovable properties at Venlo, Netherland.

d) Terms of Repayment of working capital loan

(1) Unsecured Loans*

(` in Lakhs)

Lender	Interest rate	March 31, 2022	March 31, 2021	Terms of Repayment
Dell Finance	1.75%	0.80	4.04	Repayable in 11 quarterly instalments.
U.S. Small Business Administration	1.00%	-	108.68	Repayable on Demand
		0.80	**112.72**	

*excluding accrued interest and amortised cost but including current maturity of non-current borrowings.

18. Lease Liabilities

(` in Lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Lease liabilites (Refer Note 43)	682.79	2,811.97	602.75	1,606.00
Other financing arrangement (for equipments)*	1,193.27	429.85	1,061.36	1,623.12
Total lease liabilities	**1,876.06**	**3,241.82**	**1,664.11**	**3,229.12**
Non-current			3,241.82	3,229.12
Current			1,876.06	1,664.11
Total			**5,117.88**	**4,893.23**

- Nature of Securities and other terms for other financing arrangement :

1. Repayable in equated monthly installment of ` 110.11 lakhs starting from August 2019 over a period of 4 years @11.77% rate of interest and for balance 4 years repayable in equated monthly installment of ` 0.001 lakhs.
2. Secured by way of an unconditional and irrevocable bank guarantee of ` 3,364.48 lakhs expiring on August 31,2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

19. Non-current provisions

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Provision for employee benefits (Refer Note 39)		
- Provision for gratuity and pension*	3,977.12	5,130.32
- Provision for leave obligations	84.55	124.63
Other Provisions		
-Provision for warranty	828.00	212.00
Total non-current provisions	**4,889.67**	**5,466.95**

*Corporate Guarantee by Intermediate Holding Company, is provided against a pension liability of ` 3,597 lakhs (March 31, 2021 - ` 4,610 lakhs), issued to Swedish Pension Authority.

20. Trade payables

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Total outstanding dues of micro and small enterprises	3,092.46	4,367.94
Total outstanding dues of creditors other than micro and small enterprises	23,945.58	38,066.53
Total trade payables	**27,038.04**	**42,434.47**
Dues to related parties (Refer Note 38)	2,069.46	7,314.02
Dues to third parties	24,968.58	35,120.45
	27,038.04	**42,434.47**

Includes retention money payable to creditors amounting to ` 381.86 Lakhs (31st March 31, 2021 - ` 2,364.87 Lakhs)

20. Trade payables

(i) For the year ending 31st March, 2022.

(` in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2,875.13	64.33	39.93	107.03	6.05	3,092.46
(ii) Others	18,152.12	5,206.55	312.24	186.00	36.78	23,893.70
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	51.88	51.88
Total	**21,027.25**	**5,270.88**	**352.17**	**293.03**	**94.71**	**27,038.04**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

20. Trade payables (Contd...)

(ii) For the year ending March 31, 2021.

(` in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2,247.19	845.35	993.86	116.84	164.69	4,367.94
(ii) Others	14,855.95	18,771.36	1,202.24	577.79	2,607.32	38,014.66
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	51.88	51.88
Total	**17,103.15**	**19,616.71**	**2,196.11**	**694.63**	**2,823.88**	**42,434.47**

21. Other financial liabilities - Current

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Interest accrued	40.58	286.70
Security deposits	151.23	138.55
Unpaid dividends*	61.51	69.28
Liability on account of forex derivative	0.16	-
Billing in excess of revenue - Contract liability	554.98	666.83
Accrued contractual liability	-	2,832.00
Total other non-financial liabilities	**808.46**	**3,993.36**

*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

22. Other current liabilities

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Advance from customers	11,008.35	13,472.19
Statutory dues	808.04	1,152.76
Total other current liabilities	**11,816.39**	**14,624.95**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

23. Current provisions

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Provision for employee benefits (Refer Note 39)		
- Provision for gratuity	66.74	23.79
- Provision for compensated absences	82.11	112.19
Other Provisions		
- Provision for contract liabilities	1,336.84	1,810.93
- Provision for warranty	750.29	457.45
- Provision for onerous contracts	93.46	191.55
- Provision for indirect tax matters	-	-
Total provisions	**2,329.44**	**2,595.91**

Movement in Provisions

(` in Lakhs)

Particulars	Provision for indirect tax matters	Provision for contract liabilities	Provision for warranty	Provision for onerous contracts
Carrying amount as at April 1 2020	**103.36**	**1,284.79**	**586.18**	**45.77**
Provision made / increase in provision	-	526.14	550.98	2,054.82
Provision amount used during the year	(103.36)	-	(467.71)	(1,909.04)
Carrying amount as at March 31, 2021	-	**1,810.93**	**669.45**	**191.55**
Provision made / increase in provision	-	-	1,578.29	934.50
Provision amount used during the year	-	(474.09)	(669.45)	(1,032.59)
Carrying amount as at March 31, 2022	-	**1,336.84**	**1,578.29**	**93.46**

Refer 2.6 of significant accounting policies.

Provision for contract liabilities - It includes provision for possible levy of liquidated damages and other estimated costs expected to be incurred by the Group on account of potential delays in meeting the contractual obligations of the Group with regard to agreed deliveries/commissioning.

Provision for warranty - A provision for warranties relates mainly to standard warranty on sale of the products manufactured by the Company. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities. The timing of the outflows is expected to be within a period of one year from the date of balance sheet.

Provision for onerous contracts - The Group has entered into various contracts primarily into material handling. Provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. The movement of provision for onerous contracts is recognised in cost of material consumed (Refer Note 27).

24. Current tax liabilities (net)

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Provision for tax (net of advance tax)	2,047.76	1,696.58
Total current tax liabilities (net)	**2,047.76**	**1,696.58**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

25. Revenue from operations

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sale of products (Refer Note 42)		
Transmission equipment sales		
Local	87,946.38	72,605.45
Export sales	17,144.85	16,443.67
Material handling equipment		
Local	12,328.02	12,708.77
Export sales	91.26	72.14
	117,510.51	**101,830.03**
Sale of services		
Erection and commissioning charges	1,781.66	1,760.74
	1,781.66	**1,760.74**
Other operating revenue		
Sale of scrap	875.65	487.35
Export incentives	124.86	364.36
Others	62.70	1.48
	1,063.21	**853.19**
Total revenue from operations	**120,355.38**	**104,443.96**

26. Other income

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest income		
- on deposits*	157.94	139.26
- on income tax	-	35.51
- on others	25.56	46.19
Dividend income	0.02	0.02
Gain on fair valuation of investments	-	57.41
Rent income	268.00	150.95
Liabilities written-back	92.52	113.22
Bad debts previously written off, now recovered / advance written back	264.76	26.69
Insurance claim receipt	6.07	7.82
Miscellaneous income	41.32	22.35
Total other income	**856.19**	**599.42**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

27. Cost of materials consumed

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Inventory at the beginning of the year	11,146.83	12,141.63
Add : Purchases during the year	58,746.20	42,915.53
	69,893.03	55,057.16
Less : Inventory at the end of the year	9,149.50	11,146.83
Total cost of material consumed	**60,743.53**	**43,910.33**

28. Changes in inventories of finished goods and work-in-progress

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(Increase) / decrease in inventories		
Opening work-in-progress	6,366.85	10,819.71
Closing work-in-progress	(9,212.58)	(6,366.85)
Exchange difference	0.36	0.48
	(2,845.37)	**4,453.34**
Opening finished goods (including goods in transit)	6,209.65	6,254.01
Closing finished goods (including goods in transit)	(6,960.65)	(6,209.65)
Exchange difference	23.26	128.03
	(727.74)	**172.39**
Total changes in inventories of finished goods and work-in-progress	**(3,573.11)**	**4,625.73**

29. Manufacturing expense and erection charges

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Stores, tools and spares consumed	2,094.95	1,348.14
Sub-contracting charges	3,080.82	3,315.37
Power and fuel (net)	802.15	782.83
Erection and other charges	961.33	916.15
Other manufacturing expenses	1,176.66	1,315.44
Total manufacturing expense and erection charges	**8,115.91**	**7,677.93**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
as at 31st March, 2022

30. Employee benefits expense

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries, wages and bonus	10,291.61	9,994.95
Contribution to provident fund and other funds (Refer Note 39)	867.82	705.99
Employee welfare expenses	1,808.50	1,693.97
Government grants (Refer Note 44)	(149.21)	(601.00)
Total employee benefits expense	**12,818.72**	**11,793.91**

31. Finance costs

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest expenses		
Interest on term loans	319.44	617.85
Interest on non-convertible redeemable debentures	956.00	1,648.53
Interest on working capital	1,225.84	2,482.42
Interest - others (including interest on leases)	574.66	475.47
Other borrowing costs (including guarantee charges)	658.17	756.37
Total finance costs	**3,734.12**	**5,980.64**

*Interest expense are calculated under the Effective Interest Method which is measured at amortized cost.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

32. Other expenses

(` in Lakhs)

Particulars		Year Ended March 31, 2022		Year Ended March 31, 2021
Rent (Refer Note 43)		1,394.62		1,384.81
Computer software maintainence charges		1,157.27		1,032.92
Rates and taxes		762.53		1,114.20
Repairs and maintenance :				
- Building		163.30		72.14
- Machinery		1,740.66		1,560.68
- Others		26.64		19.40
Insurance expense		329.97		340.08
Travelling, conveyance and communication expenses		450.94		263.16
Directors sitting fees		14.85		10.25
Commission to non-executive directors		42.00		30.00
Packing, forwarding and distribution expenses (net of recoveries)		2,881.74		2,083.27
Loss on fair valuation of investments (net)		11.72		-
Liquidated Damages		2.88		-
Commission and brokerage		3,504.84		3,191.75
Warranty claim replacement		1,090.26		644.30
Bad debt written off	2,125.18		11,418.69	
Provision on doubtful debt written back (Refer Note 12)	(741.03)		(7,362.77)	
		1,384.15		4,055.92
Advertisements and sales promotion expenses		79.02		50.53
Payment to auditors (Refer Note 33)*		118.68		175.49
Donations		0.75		3.42
Expenditure on corporate social responsibility		129.65		22.04
Car lease rentals		28.40		180.01
Legal and professional fees		853.70		911.99
Bank charges		75.57		52.62
Loss on sold/discarded of property, plant and equipments (net)		461.60		18.90
Miscellaneous expenses		786.04		404.44
Loss on derivative financial instrument		0.16		-
Net loss on account of exchange variation		114.41		279.53
Total		**17,606.35**		**17,901.85**

*Including ` 14.24 lakhs paid to previous auditors.

(i) Research and development expenditure accounted through Consolidated Statement of Profit and Loss aggregates ` 245.70 lakhs (31st March, 2021: ` 218.97 Lakhs).

33. Payment to auditors

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) As auditors-audit fees*	98.64	144.35
(b) For other services (limited review, certification etc.)	18.15	28.65
(c) Out of pocket expenses	1.89	2.50
Total payment to auditors	**118.68**	**175.49**

*Includes audit fees paid to auditors of the respective subsidiary companies and previous auditors.

During the previous year over and above the aforesaid payments an amount of ` 3.10 lakhs has been paid to an entity of which one of the partners of the Thacker Butala Desai is a proprietor.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

34. Earnings per share

(` in Lakhs, except per share data)

	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
a)	Profit attributable to equity shareholders of the Group (` in Lakhs)	14,049.25	5,763.10
b)	Weighted average number of equity shares outstanding during the year*	112,199,965	112,199,965
c)	Earning per share (Basic and Diluted)	12.52	5.14
d)	Face value per share	2.00	2.00

*Outstanding number of shares as at the opening and closing balance are same.

35. Tax expenses

(` in Lakhs)

The major components of income tax expense for the years ended 31st March, 2022 and 31st March, 2021 are :

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Statement of Profit and loss		
Current tax		
Current tax	3,057.15	134.28
Adjustment of tax relating to earlier periods	123.37	30.09
Deferred tax	(177.13)	2,201.69
Income tax expense reported in the Statement of Profit and Loss	**3,003.39**	**2,366.06**
Other comprehensive income		
Deferred tax charge / (credit) on remeasurements losses of defined benefit plans	(76.93)	28.22
Income tax expense reported in the Statement of Profit and Loss	**2,926.46**	**2,394.28**

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended 31st March, 2022 and 31st March, 2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

35. Tax expenses (Contd...)

A) Current tax

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Accounting profit before tax from continuing operations	**17,052.64**	**8,129.16**
Income tax rate of Company's domestic tax rate	25.168%	34.944%
Tax using Company's domestic tax rate	4,291.81	2,840.65
Tax effects of :		
Tax exempt income	20.75	8.90
Tax at special rate	(11.96)	(8.56)
Share of profit from associate	(36.30)	(65.48)
Other non-deductible expenses (net)	(96.95)	(93.70)
Adjustment of tax expense relating to earlier periods	123.37	30.09
Different tax rates of foreign subsidiaries	(50.41)	(284.12)
Effect of DTL on loss	(90.83)	-
Reversal of deferred liablity on long term capital loss (not in business income)	(18.70)	-
Income tax expense of earlier years	123.37	-
Effect of difference of DTL on WDV	(437.53)	-
Reversal of deferred liablity on indexation of land (Refer Note (i) below)	(8.66)	(18.17)
Rate change adjustments on account of Taxation Laws (Amendment) Ordinance 2019	-	217.86
Past losses utilised	(461.92)	(97.92)
Goodwill amortization allowable under UK GAAP. GBP 222,639 @ 19%	(42.81)	(42.40)
Group intercompany eliminations (profit in inventory)	(48.78)	(49.47)
Current year tax losses on which no deferred tax was recognised	(462.92)	(135.27)
Effect of rounding off	43.33	-
	(1,365.35)	**(446.37)**
Income tax expense	**2,926.46**	**2,394.28**

(i) At the time of transition to Indian Accounting Standards (Ind AS) with effect from April 01, 2015, the Holding Company had recognised the fair value of its land parcels in the books of account and had also recognised corresponding deferred tax liability considering the future tax obligation that would arise upon sale of land in the expected manner in future (sale of land parcels on a piecemeal basis, delinked from the business).

B. Deferred tax

(` in Lakhs)

Particulars	Balance as on April 1, 2020	Acounted through Statement of Profit and loss and OCI	Balance as on March 31, 2021	Acounted through Statement of Profit and loss and OCI	Balance as on March 31, 2022
Depreciation for tax purposes	(4,984.66)	1,158.95	(3,825.71)	955.02	(2,870.69)
Impact of fair valuation of land	(806.87)	18.17	(788.70)	9.22	(779.48)
Deferred tax on fair value of investments	(8.94)	8.74	(0.20)	(1.79)	(1.99)
Provision for doubtful debt (including allowance for expected credit losses)	3,187.46	(2,723.87)	463.59	(186.52)	277.08
Provision for pension liability	363.68	(107.01)	256.67	(110.50)	146.17

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

35. Tax expenses (Contd...)

(` in Lakhs)

Particulars	Balance as on April 1, 2020	Acounted through Statement of Profit and loss and OCI	Balance as on March 31, 2021	Acounted through Statement of Profit and loss and OCI	Balance as on March 31, 2022
Expenditure allowable on payment basis	323.60	(264.78)	58.82	(116.89)	(58.07)
Expenditure allowable on realised basis	16.01	32.21	48.22	(24.69)	23.53
Deferred tax on unabsorbed depreciation	35.93	173.13	209.06	(209.07)	(0.01)
Reversal of deferred liablity on long term capital loss (not in business income)	-	-	-	18.70	18.70
Deferred tax on other financing arrangement	1,267.95	(497.24)	770.71	(154.54)	616.17
Other Comprehensive Income	267.52	(28.22)	239.30	75.12	314.42
Exchange difference directly recognised in equity	106.25	(60.64)	45.61	(119.20)	(73.60)
Total deferred tax (expense) / income	**-**	**(2,290.55)**	**-**	**134.87**	**-**
Net deferred tax assets/(liabilities)	**(232.07)**	**-**	**(2,522.62)**	**-**	**(2,387.77)**
Reflected in the balance sheet are as follows:					
Deferred tax assets	561.25		501.73		384.27
Deferred tax liabilities	(793.32)		(3,024.35)		(2,772.04)
Deferred tax liabilities (net)	**(232.07)**		**(2,522.62)**		**(2,387.77)**

(` in Lakhs)

Reconciliation of deferred tax assets / (liabilities), net	**March 31, 2022**	**March 31, 2021**
Balance at the beginning of the year	(2,522.62)	(232.07)
Tax income/(expense) during the period recognised in profit or loss	177.13	(2,201.69)
Tax income/(expense) during the period recognised in OCI	76.93	(28.22)
Exchange difference directly recognised in equity	(119.20)	(60.64)
Balance at the end of the year	**(2,387.77)**	**(2,522.62)**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Unused tax losses on which no deferred tax asset is recognised

The subsidiaries have the following unused tax losses which arouse on incurrence of business losses under the Income tax for which no deferred tax asset have been recognized in the balance sheet. The losses can be carried forward for a period of 20 years.

(` in Lakhs)

Financial year	March 31, 2022
2011-12	2,723.44
2012-13	347.83
2013-14	1,286.24
2014-15	1,248.24
2015-16	-
2016-17	11.73
2017-18	1,970.74
2018-19	620.40
2019-20	-
2020-21	-
2021-22	54.22

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

36. Financial instruments risk management objectives and policies

The Group's financial liabilities comprise mainly of borrowings, lease liabilities, trade and other financial liabilities. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other financial assets.

The Group is exposed to Market risk, Credit risk, Liquidity risk and commodity risk. The Board of the Group has constituted a Risk Management Committee to frame, implement and monitor the risk management plan for the Group. The said Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee/Board of Director has additional oversight in the area of financial risks and controls. It also covers policies on specific risk areas such as currency risk, interest rate risk, credit risk and investment of surplus funds. The following disclosures summarize the Group's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Group.

(a) 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 borrowings, 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. The Group seeks to mitigate such risk by maintaining an adequate proportion of floating and fixed interest rate borrowings. As at 31st March, 2022, approximately 99% of the Group's borrowings are at fixed rate (March 31, 2021 : 85%). Summary of financial assets and financial liabilities has been provided below:

Exposure to interest rate

The interest rate profile of the Group's interest - bearing financial instrument as reported to management is as follows:

(` in Lakhs)

	March 31, 2022	March 31, 2021
Fixed-rate instruments		
Financial Assets	2,902.29	5,554.22
Financial Liabilities	11,459.36	21,866.71
Variable-rate instruments		
Financial Assets	-	-
Financial Liabilities	165.51	9,436.75

Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(` in Lakhs)

Particular	Impact on Profit / (loss) after tax
March 31, 2022	
Increase in 100 basis points	(1.24)
Decrease in 100 basis points	1.24
March 31, 2021	
Increase in 100 basis points	(61.39)
Decrease in 100 basis points	61.39

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

36. Financial instruments risk management objectives and policies (Contd...)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group transacts business in foreign currencies (primarily USD, EUR and GBP). Consequently, the Group has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The Group manages its foreign currency risk by following policies approved by board as per established risk management policy. The carrying amounts of the Group's foreign currency denominated monetary items are as follows:

Exposure to Currency Risk:-

The summary quantitative data about the Group's exposure to currency risk (based on notional amounts) is as follows:

(` in Lakhs)

Particular	March 31, 2022			March 31, 2021		
	USD	GBP	EUR	USD	GBP	EUR
Financial Assets						
Trade receivables	2,064.61	961.22	2,532.17	1,595.93	764.07	1,841.94
Cash and cash equivalents	340.40	68.44	2,402.80	918.49	24.50	494.22
Total A	**2,405.01**	**1,029.66**	**4,934.97**	**2,514.42**	**788.57**	**2,336.17**
Financial Liabilities						
Trade payables	300.90	95.60	4,849.28	800.69	147.32	5,834.62
Borrowings	1,959.94	-	-	2,503.24	-	-
Total B	**2,260.84**	**95.60**	**4,849.28**	**3,303.93**	**147.32**	**5,834.62**
Total A - B	**144.17**	**934.07**	**85.70**	**(789.50)**	**641.25**	**(3,498.45)**

The Group does not have significant exposure to foreign currency risk. Accordingly, the management does not hedge any foreign currency receipts or payments.

However, during the current year the Holding Company has hedged USD 1 Lakh from Export Receivables.

The following significant exchange rates have been applied during the year.

Rupees	Average rate		Year-end spot rate	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD 1	74.66	74.45	75.81	73.50
GBP 1	100.25	97.01	99.55	100.95
EUR 1	85.38	84.57	84.66	86.10

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and GBP rates to the functional currency of respective entity, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

36. Financial instruments risk management objectives and policies (Contd...)

(` in Lakhs)

Particular	USD			GBP			EUR		
	Change in exchange rate	Profit / (loss) before tax	Equity net of tax	Change in exchange rate	Profit / (loss) before tax	Equity net of tax	Change in exchange rate	Profit / (loss) before tax	Equity net of tax
March 31, 2022									
Strengthening	2.00%	2.88	1.88	3.00%	28.02	18.23	3.00%	2.57	1.67
Weakening		(2.88)	(1.88)		(28.02)	(18.23)		(2.57)	(1.67)
March 31, 2021									
Strengthening	2.00%	(15.79)	(10.27)	3.00%	19.24	12.52	3.00%	(104.95)	(68.28)
Weakening		15.79	10.27		(19.24)	(12.52)		104.95	68.28

Equity price risk

The Group's investment consists of investments in equity shares of publicly traded companies held for purposes other than trading as well as investments in quoted mutual funds. Since these investments are insignificant, the exposure to equity price changes is minimal.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk primarily trade receivables (other than inter-group) and other financial assets including deposits with banks. The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties. Security deposits mainly includes rental deposits, earnest money deposits which are given as per contractual agreement. Unbilled revenue pertains to one goverment contract where there has been no delay or default in the past periods.

Other financial assets

This comprises mainly of deposits with banks, investments in mutual funds and other group receivables. Credit risk arising from these financial assets is limited and there is no collateral held against these because the counterparties are group companies, banks and recognised financial institutions. Banks and recognised financial institutions have high credit ratings assigned by the credit rating agencies.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy and procedures. Trade receivables are non-interest bearing and generally have a credit period not exceeding 90 days. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the receivables are categorised into groups based on types of receivables. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - Financial instruments. The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Receivables from group companies and secured receivables are excluded for the purposes of this analysis since no credit risk is perceived on them. Proportion of expected credit loss provided for across the ageing buckets is summarised below:

Bucket	March 31, 2022	March 31, 2021
Not due	1.07%	0.98%
0-1 year	2.39%	7.18%
1-3 years	22.37%	25.62%
Greater than 3 years	7.97%	54.97%
Expected Credit Losses rate	**8.45%**	**16.35%**
Amount of Expected credit loss provided for	**(1,800.83)**	**(2,627.58)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

36. Financial instruments risk management objectives and policies (Contd...)

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Group's view of economic conditions over the expected lives of the receivables.

The following significant change in the carrying amounts of trade receivables contributed to change in the impairment loss allowance during year ended March 31, 2022:

- decrease in credit impaired balances due to write-offs taken by the management during current year resulted in decrease in trade receivables and decrease in impairment loss allowance.

Movement in provision of expected credit loss has been provided in note no. 12.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from both domestic and international banks at an optimised cost.

The table below analysis non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed under the ageing buckets are the contractual undiscounted cash flows and includes contractual interest payments.

(` in Lakhs)

Particulars	Carrying Amount	Less than 12 Months	1-2 years	2-5 years	more than 5 Years	Total
Year ended March 31, 2022						
Financial liabilites						
Borrowings	10,001.75	13,883.94	1,572.01	1,512.78	-	16,968.73
Trade payables	27,038.04	27,038.04	-	-	-	27,038.04
Other financial liabilities	808.46	808.46	-	-	-	808.46
Lease liabilities	5,117.88	1,995.36	1,743.20	1,284.03	947.13	5,969.73
Total	**42,966.13**	**43,725.80**	**3,315.21**	**2,796.81**	**947.13**	**50,784.96**
Year ended March 31, 2021						
Financial liabilites						
Borrowings	24,758.21	31,968.91	7,895.87	6,377.01	-	46,241.79
Trade payables	42,434.47	42,434.47	-	-	-	42,434.47
Other financial liabilities	7,854.13	8,538.90	-	-	-	8,538.90
Lease liabilities	4,893.23	1,735.97	1,663.56	1,425.38	356.65	5,181.55
Total	**79,940.04**	**84,678.25**	**9,559.42**	**7,802.39**	**356.65**	**102,396.72**

(d) Commodity price risk

Commodity price risk arises due to fluctuation in prices of steel. The Group has a risk management framework aimed at prudently managing the risk arising from the volatility in the commodity prices and freight costs. The Group's commodity risk is managed through well-established control processes.

(e) Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

36. Financial instruments risk management objectives and policies (Contd...)

development of the business. Management monitors the return on capital, as well as level of dividends to equity share holders.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using Debt- Equity ratio, which is net debt divided by total equity. The Group's policy is to keep the net debt to equity ratio below 2. The Group includes within net debt, interest bearing loans and borrowings, less cash and short-term deposits.

(` in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest-bearing loans and borrowings (Note 17 and 18)	11,624.87	31,303.46
Less: cash and cash equivalents (Note 13)	(8,436.21)	(9,614.49)
Adjusted net debt	**3,188.66**	**21,688.97**
Equity share capital (Note 15)	2,244.00	2,244.00
Other equity (Note 16)	102,779.78	89,680.83
Total equity	**105,023.78**	**91,924.83**
Adjusted net debt to total equity ratio	**0.03**	**0.24**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

In order to achieve this overall objective, the Group's capital management amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing borrowings that define capital structure requirements. The Group's Management periodically reviews compliance with terms and conditions of existing loan agreements to identify any non-adherence at each reporting date and obtains confirmations from the respective lenders on existing terms and conditions basis which borrowings are disclosed as current and non-current at each reporting date. Pursuant to such periodical review during the year, the group's management has identified non-adherence to certain debt covenants and has obtained confirmations from the concerned lender on continuance of existing terms and conditions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

for the year ended 31st March, 2022

37. Fair Value Measurements

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 in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at March 31, 2022 (` in Lakhs)

Particulars	Carrying amount				Fair Value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobser-vable inputs	Total
Investments (Footnote 1)	**19.02**	**-**	**-**	**19.02**	**3.47**	**-**	**15.55**	**19.02**
Trade receivables	-	-	41,507.44	41,507.44	-	-	-	-
Cash and cash equivalents	-	-	8,436.21	8,436.21	-	-	-	-
Other bank balance	-	-	2,777.23	2,777.23	-	-	-	-
Other financial assets	-	-	6,996.65	6,996.65	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Total Financial assets	**19.02**	**-**	**59,717.53**	**59,736.55**	**3.47**	**-**	**15.55**	**19.02**
Borrowings	-	-	10,001.75	10,001.75	-	-	10,001.75	10,001.75
Trade payables	-	-	27,038.04	27,038.04	-	-	-	-
Other financial liabilites	-	-	808.46	808.46	-	-	-	-
Lease liabilities	-	-	5,117.88	5,117.88	-	-	-	-
Total Financial liabilities	**-**	**-**	**42,966.13**	**42,966.13**	**-**	**-**	**10,001.75**	**10,001.75**

As at March 31, 2021 (` in Lakhs)

Particulars	Carrying amount				Fair Value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobser-vable inputs	Total
Investments (Footnote 1)	**30.74**	**-**	**-**	**30.74**	**8.49**	**-**	**22.25**	**30.74**
Trade receivables	-	-	50,773.61	50,773.61	-	-	-	-
Cash and cash equivalents	-	-	9,614.49	9,614.49	-	-	-	-
Other bank balance	-	-	4,533.96	4,533.96	-	-	-	-
Other financial assets	-	-	20,234.89	20,234.89	-	-	-	-
Loans	-	-	427.48	427.48	-	-	-	-
Total Financial assets	**30.74**	**-**	**85,584.43**	**85,615.17**	**8.49**	**-**	**22.25**	**30.74**
Borrowings	-	-	24,758.21	24,758.21	-	-	24,758.21	24,758.21
Trade payables	-	-	42,434.47	42,434.47	-	-	-	-
Other financial liabilites			7,854.13	7,854.13				-
Lease liabilities	-	-	4,893.23	4,893.23	-	-	-	-
Total Financial liabilities	**-**	**-**	**79,940.04**	**79,940.04**	**-**	**-**	**24,758.21**	**24,758.21**

Investments in associate have been accounted at historical cost. Since these are scoped out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above. Investments in unquoted equity shares of entities other than subsidiaries and associates have been designated as FVTPL. However, investments in equity shares other than those of Eimco Elecon Electricals Limited (EEEL) on disposal will fetch only the principal amount invested and hence the company considers cost and fair value to be the same.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

37. Fair Value Measurements (Contd...)

B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities other than those valued at Level 1 and Level 2 are considered to be the same as their fair values due to the current and short term nature of such balances and no material differences in the values.

Fair value of borrowings is computed using the market comparision techinique where information for the interest rate at which a borrowing can availed by Company is used to arrive at fair value of borrowing. Further management. measurement of fair value is not materially different from the amortised cost. in these case significant unobservable inputs and interrelationship between significant unobservable inputs and fair value measurement is not applicable.

On account of materiality and in absence of sufficient information for determination of fair value of investments in equity shares of ` 0.15 lakhs (March 31, 2021 ` 0.15 lakhs) , the Group has not fair valued the same.

ii) Levels 1, 2 and 3

Level 1 : It includes Investment in equity shares and mutual funds that have a quoted price and which are actively traded on the stock exchanges. It is been valued using the closing price as at the reporting period on the stock exchanges.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

C. Fair value through profit and loss - in unquoted equity shares:

Investments in equity shares of Eimco Elecon Electricals Limited (EEEL) have been designated as FVTPL. Based on EEECL's future projections of 5 years, Discounted Cash Flow (DCF) valuation methodology has been used to determine the fair value as on March 31, 2022.

Significant unobservable inputs

The free cash flows have been discounted using weighted average cost of capital (WACC) and cost of equity which is based on the capital asset pricing model. The model considered data from comarable companies to obtain the dicounted free cash flows based on latest available data prior to date of valuation. These assumptions have been adjusted appropriately at each reporting date. Key assumptions have been summarised below:

Particulars	March 31, 2022	March 31, 2021
Beta for WACC	1.00	1.00
Risk free rate of return	7.21%	6.00%
Cost of equity	12.50%	12.50%
Cost of debt	Nil	Nil
WACC	12.50%	12.50%
Perpetual growth rate	2.50%	5.00%

ii) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods.

iii) Level 3 fair values

Movements in the values of unquoted equity instruments for the year ended 31st March, 2022 and 31st March, 2021 is as below:

(` in Lakhs)

Particulars	Amount
As at March 31, 2020	**21.33**
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	-
Gains/ (losses) recognised in statement of profit or loss	0.92
As at March 31, 2021	**22.25**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	-
Gains/ (losses) recognised in statement of profit or loss	(6.70)
As at March 31, 2022	**15.55**

Transfer out of Level 3

There were no movement in level 3 in either directions during the year ended March 31, 2022 and March 31, 2021.

Sensitivity analysis - Investments in unquoted equity instruments of EECL (Value per share)

2021-22		**Perpetual growth rate**	
		-1%	**+1%**
	Cost of equity	1.10	0.88
		2.99	1.77

2020-21		**Perpetual growth rate**	
		-1%	**+1%**
	Cost of equity	2.13	3.32
		1.52	2.00

38. Related party disclosure

As per the Ind AS - 24 *Related Party Disclosures*, the related parties of the Group are as follows :

A) Name of the related parties and nature of relationships :

a) **Ultimate Holding company :** Aakaaish Investments Private Limited

b) **Entity with control over the group :** Lotus Trust

c) **Associates**

(i) Eimco Elecon (India) Limited
(ii) Elecon Australia Pty. Limited (Refer Note below)
(iii) Elecon Africa Pty. Limited (Refer Note below)
(iv) Elecon Engineering (Suzhou) Co. Limited, China (Refer Note below)

Note:-

The Holding Company is in process of seeking RBI approval for liquidating its 3 associates namely Elecon Australia Pty. Limited, Elecon Africa Pty. Limited and Elecon Engineering (Suzhou) Co. Limited, China. There are no transactions in these 3 associate companies and there are no assets or liabilities pertaining to these associates.

d) **Key managerial personnel**

(i) Mr. Prayasvin B. Patel - Chairman and Managing Director
(ii) Mr. Prashant C. Amin - Executive Director (till 31st May 2020)
(iii) Mr. Prashant C. Amin - Non-Executive Director (w.e.f 1st June 2020)
(iv) Mr. Pradip M. Patel - Director
(v) Mr. Jal Patel - Independent Director
(vi) Mr. Chirayu R Amin - Independent Director (till 10th August 2020)
(vii) Mr. Jai S Diwanji - Independent Director
(viii) Dr. Sonal V Ambani - Independent Director
(ix) Mr. Pranav C. Amin - Independent Director (w.e.f. 27th May 2021)
(x) Mr. Narasimhan Raghunathan- Chief Financial Officer
(xi) Mrs. Bharti L Isarani- Company Secretary

e) **Relatives of Key managerial personnel**

(i) Mr. Aayush Shah (w.e.f 27th February 2020 till 21st December 2020)

f) **Entities forming part of the same group (with whom transaction undertaken during the year or previous year)**

(i) Devkishan Investment Private Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

(ii) K. B. Investments Private Limited
(iii) Elecon Information Technology Limited
(iv) Tech Elecon Private Limited
(v) Emtici Engineering Limited
(vi) Prayas Engineering Limited
(vii) Speciality Wood Pack Private Limited
(viii) Power Build Private Limited
(ix) Elecon Hydraulics Private Limited
(x) Akaaish Mechatronics Limited
(xi) Madhubhan Prayas Resorts Limited
(xii) Wizard Fincap Limited
(xiii) Eimco Elecon Electricals Limited
(xiv) Elecon Peripherals Limited
(xv) Packme Industries Private Limited
(xvi) Darshan Chemicals
(xvii) Vijay M. Mistry Construction Private Limited
(xviii) Jamko Consultants Private Limited
(xix) Desmin Agencies
(xx) WRC Engineering Company Private Limited
(xxi) Radicon Transmission FZE
(xxii) Radicon Transmission (Thailand) Limited
(xxiii) Radicon Transmission (Australia) Pty Limited
(xxiv) Emtici Marketing LLP
(xxv) Modsonic Instruments Manufacturing Company Private Limited
(xxvi) B.I. Patel Charitable Trust
(xxvii) I.B. Patel Charitable Trust

g) Other related party

Post employment benefit plan
(i) Elecon Engineering Company Limited Employees Group Gratuity Fund
(ii) Elecon Engineering Company Limited Employees Superannuation scheme

B) Terms and conditions of transactions with related parties

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given and taken, at the year-end are unsecured and interest free and settlement occurs in cash other than for advance.

Transactions with key management personnel

Compensation of key management personnel of the Company. (` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Remuneration		
- Mr. Prayasvin B. Patel	614.47	319.86
- Mr. Prashant C. Amin	-	207.56
- Mr. Narasimhan Raghunathan	42.74	32.73
- Mrs. Bharti Isarani	16.64	14.10
Commission and sitting fees to Independent directors	56.85	40.25
Total compensation paid to key management personnel	**730.70**	**614.50**

Key Managerial Personnel who are under the employment of the Group are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

38. Related party disclosure (Contd...)

(` in Lakhs)

Particulars	Associates		Key Managerial Personnel		Relatives of Key managerial personnel		Entities forming part of the same Group		Employement benefit plans	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Purchase of material / finished goods	56.47	49.34	-	-	-	-	11,875.59	7,200.34	-	-
Miscellaneous income	0.26	4.51	-	-	-	-	44.66	23.48	-	-
Erection and other charges	2.16	21.33	-	-	-	-	79.45	116.20	-	-
Sale of finished goods/ consumable stores	306.45	351.29	-	-	-	-	1,930.43	901.99	-	-
Purchase of property plant and equipment	-	-	-	-	-	-	111.91	-	-	-
Sales of property plant and equipment	29.40	-	-	-	-	-	7.56	61.74	-	-
Remuneration paid	-	-	730.70	614.50	-	13.77	-	-	-	-
Other expenses charged from related parties	16.84	5.94	-	-	-	-	341.21	267.81	-	-
Other expenses charged by related parties	27.08	20.30	-	-	-	-	3,938.50	3,279.78	-	-
Sales and other commission expense	-	-	-	-	-	-	20.96	50.00	-	-
Interest Expenses	-	-	-	-	-	-	3.52	94.56	-	-
Dividend Paid	-	-	18.22	-	-	-	247.90	-	-	-
Contribution made to post employment defined benefit plans trust	-	-	-	-	-	-	-	-	416.62	196.32
Contribution made towards CSR activities	-	-	-	-	-	-	129.65	22.04	-	-
Donation Paid	-	-	-	-	-	-	0.75	3.42	-	-
Outstanding balances										
Trade payables	0.69	17.38	-	-	-	-	2,068.77	7,296.64	-	-
Trade receivables	83.29	-	-	-	-	-	400.83	1,369.08	-	-
Guarantees taken from	-	-	-	-	-	-	196,400.00	217,400.00	-	-

Note :

The Company had written off Investments and loans outstanding from the 3 associates namely Elecon Australia Pty. Limited, Elecon Africa Pty. Limited and Elecon Engineering (Suzhou) Co. Limited in the financial year 2011-2012 amounting to ` 1,071.30 lakhs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

(` in Lakhs)

39. Disclosure pursuant to employee benefits

A. Defined contribution plans:

Amount of ` 867.82 lakhs (31st March, 2021: ` 705.99 Lakhs) is recognised as expenses and included in note no. 30 "Employee benefits expense"

Particulars	As at March 31, 2022	As at March 31, 2021
Provident Fund and Pension	860.19	703.36
Superannuation Fund	7.63	2.63
	867.82	**705.99**

B. Defined benefit plans:

The Group has the following post employement benefits which are in the nature of defined benefit plans:

(a) Gratuity and Pension

The Group operates gratuity plan wherein every employee is entitled to the benefit as per scheme of the Group, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

39. Disclosure pursuant to employee benefits (Contd...)

March 31, 2022 : Changes in defined benefit obligation and plan assets

(` in Lakhs)

	April 1, 2021	Gratuity and pension cost charged to statement of profit and loss			Transfer in/ Transfer Out liability/ asset and Increase (decrease) in obligation due to fluctuation in exchange rate	Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2022
		Service cost	Net interest expense	Sub-total included in statement of Profit and Loss (Note 30)			Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity													
Defined benefit obligation	931.25	59.88	60.44	120.32	(5.00)	(251.95)	-	-	108.12	233.33	341.45	-	1,136.07
Fair value of plan assets	(907.46)	-	(58.89)	(58.89)	29.53	251.95	18.46	-	-	-	18.46	(402.92)	(1,069.33)
Benefit liability/(asset)	**23.79**	**59.88**	**1.55**	**61.43**	**24.53**	**-**	**18.46**	**-**	**108.12**	**233.33**	**359.91**	**(402.92)**	**66.74**
Pension, gratuity and medical plan													
Defined benefit obligation	5,130.32	-	(69.69)	(69.69)	40.43	(1,038.33)	-	-	(153.31)	(17.92)	(171.23)	85.62	3,977.12
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	**5,130.32**	**-**	**(69.69)**	**(69.69)**	**40.43**	**(1,038.33)**	**-**	**-**	**(153.31)**	**(17.92)**	**(171.23)**	**85.62**	**3,977.12**
Total benefit liability	**5,154.11**	**59.88**	**(68.14)**	**(8.26)**	**64.96**	**(1,038.33)**	**18.46**	**-**	**(45.19)**	**215.41**	**188.68**	**(317.30)**	**4,043.86**

Non-current provisions (Refer Note 19)	3,977.12
Current provisions (Refer Note 23)	66.74

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

39. Disclosure pursuant to employee benefits (Contd...)

March 31, 2021 : Changes in defined benefit obligation and plan assets

(` in Lakhs)

	April 1, 2020	Gratuity and Pension cost charged to statement of profit and loss			Transfer in/ Transfer Out liability/asset and Increase (decrease) in obligation due to fluctuation in exchange rate	Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2021
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 30)			Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity													
Defined benefit obligation	1,305.09	77.81	86.03	163.84	(11.71)	(402.97)	-	-	53.26	(176.26)	(123.00)	-	931.25
Fair value of plan assets	(1,235.64)	-	(81.45)	(81.45)	11.71	402.97	10.97	-	-	-	10.97	(16.02)	(907.46)
Benefit liability/(asset)	**69.45**	**77.81**	**4.58**	**82.39**	**-**	**-**	**10.97**	**-**	**53.26**	**(176.26)**	**(112.03)**	**(16.02)**	**23.79**
Pension, gratuity and medical plan													
Defined benefit obligation	6,067.62	-	(64.61)	(64.61)	225.66	(1,025.66)	-	-	(171.62)	(78.74)	(250.36)	177.67	5,130.32
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	**6,067.62**	**-**	**(64.61)**	**(64.61)**	**225.66**	**(1,025.66)**	**-**	**-**	**(171.62)**	**(78.74)**	**(250.36)**	**177.67**	**5,130.32**
Total benefit liability	**6,137.07**	**77.81**	**(60.03)**	**17.78**	**225.66**	**(1,025.66)**	**10.97**	**-**	**(118.36)**	**(255.00)**	**(362.39)**	**161.65**	**5,154.11**

Non-current provisions (Refer Note 19)	5,130.32
Current provisions (Refer Note 23)	23.79

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

39. Disclosure pursuant to employee benefits (Contd...)

The major categories of plan assets of the fair value of the total plan assets of Gratuity and Pension are as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Insurance Fund for gratuity (%) of total plan assets	100%	100%
Insurance Fund for pension	0%	0%

The principal assumptions used in determining above defined benefit obligations for the Group's plans are shown below:

a) For Gratuity (for Indian entities)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate	6.89%	6.49%
Future salary increase		
For the next 1st year	8.00%	10.00%
For the next 1st year, starting from 2nd year	8.00%	6.00%
Starting from 3rd year	8.00%	6.00%
Expected rate of return on plan assets	6.89%	6.49%
Employee turnover rate	6.00%	10.00%
Morality rate during employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Morality (2006-08)

b) For Pension (for overseas entities)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate	2.10%	1.60%
Future salary increase	0.00%	0.00%

A quantitative sensitivity analysis for significant assumption is as shown below:

a) For Gratuity (for Indian entities) (` in Lakhs)

		(increase) / decrease in defined benefit obligation (Impact)	
Particulars	**Sensitivity level**	**Year ended March 31, 2022 `**	**Year ended March 31, 2021 `**
Discount rate	1% increase	(73.85)	(43.37)
	1% decrease	84.49	48.37
Salary Increase	1% increase	80.81	47.41
	1% decrease	(73.09)	(43.31)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)

for the year ended 31st March, 2022

39. Disclosure pursuant to employee benefits (Contd...)

b) For Pension (for overseas entities) (` in Lakhs)

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact) Year ended March 31, 2022 `	Year ended March 31, 2021 `
Discount rate	0.50% increase	(336.88)	(386.16)
	0.50% decrease	384.91	439.24
Inflation rate	0.50% increase	379.13	433.86
	0.50% decrease	(335.27)	(385.28)

(b) Leave obligations -Unfunded

The acturial Liability towards leave obligations as at 31st March, 2022 is ` 166.66 Lakhs (31st March, 2021 is ` 236.82 Lakhs). Current year charge is included in Employee benefit expense (refer note 30).

(c) Effect of Plan on Entity's Future Cash Flows

(i) Funding arrangements and Funding Policy

The Holding Company has purchase an insurance policy to provide for paymeny of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

(ii) Expected Contibution during the next annual reporting period for Gratuity (for Indian entities):

The Company's best estimate of contribution during the next year is ` 85.14 Lakhs (31st March, 2021 : ` 61.43 Lakhs).

(iii) Maturity profile of Defined Benefit Obligations for Gratuity (for Indian entities):

Weighted average duration (based on discounted cash flows) - 8 years

(a) Expected cash flows over the next (valued on undiscounted basis) for Gratuity (for Indian entities):

(` in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1 year	143.68	154.21
2 to 5 years	431.27	442.95
6 to 10 years	427.64	346.07
More than 10 years	1,079.87	437.86

(iv) Expected Contibution during the next annual reporting period for Pension (for overseas entities):

The Company's best estimate of contribution during the next year is ` 74.99 Lakhs (31st March, 2021 : ` 71.95 Lakhs).

(v) Maturity profile of Defined Benefit Obligations for Pension (for overseas entities):

Weighted average duration (based on discounted cash flows) - 20 years

(a) Expected cash flows over the next (valued on undiscounted basis) for Pension (for overseas entities):

(` in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1 year	52.15	133.48
2 to 5 years	231.90	537.49
6 to 10 years	472.77	691.15
More than 10 years	4,888.47	4,884.73

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

40. Contigent liabilities and commitments

(` in Lakhs)

Particulars		March 31, 2022	March 31, 2021
(a)	**Contingent liabilities:**		
	Claims against the Holding Company not acknowledged as debt*		
(i)	Disputed with Excise and Service tax authority	6,194.17	6,058.68
(ii)	Disputed with Sales tax authority	347.05	286.25
(iii)	Disputed with Income tax authority	5,892.69	5,291.22
(iv)	Sales bills discounted under letter of credit with Banks	165.28	346.64
(v)	Arbitration Proceedings against the Company under direction of the Honourable Gujarat High Court. There is also a counter claim by the Company of ` 200.00 Lakhs (March 31, 2021: ` 200 Lakhs).	172.32	154.19
(vi)	In respect of a commercial civil suit filed by a customer against the Group with the Commercial Civil Court, Ahmedabad amounting to ` 4,933 lakhs (March 31, 2021: 4,933 lakhs) Against this, the Group has filed a counter claim of ` 549 lakhs (March 31, 2021: 549 lakhs) against the Customer for the default made by the customer.	-	4,933.00
Guarantees			
(i)	The Holding Company has provided Corporate Guarantee to Bank of Baroda, London to the tune of GBP NIL (March 31, 2021: GBP 6,000,000) as a security for repayment of Financial facility availed by Radicon Transmission UK Limited, United Kingdom, a subsidiary of the Holding Company.	-	6,057.05
(ii)	The Holding Company has provided Corporate Guarantee to Bank of Baroda, London to the tune of GBP NIL and US$ NIL (March 31, 2021: GBP 8,299,000 and US$ 22,098,000) as a security for repayment of financial facility availed by Radicon Transmission UK Limited, UK, a subsidiary of the Holding Company.	-	24,620.98
(iii)	Contingent liability with PRI (Pension liability) for AB Benzlers (Sweden) SEK 400,000 (March 2021 : 400,000).	32.78	33.51
(iv)	Pledge of insurance claims,receivables and bank account balances at Bank of Baroda for Benzler TBA BV (Holland) EUR NIL (March 31, 2021: EUR 971,457).	-	837.06
(v)	Bank Guarantee for Thyssenkrupp in lieu of warranty guarantee, 10% of the total contract price. * Future cash outflows are determinable only on receipt of judgements/ decisions pending with various forums/authorities. It is not practicable to disclose possibility of any reimbursement.	-	117.85
(b)	Commitments:		
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	493.42	340.37
(ii)	Liability for export obligation under Advance licence	-	135.49

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

41. Segment reporting

Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chairman and Managing Director (CMD) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has two reportable segments, as described below, which are the Group's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Group's Chairman & Managing Director reviews internal Group management reports periodically. The CMD is designated as the Chief Operating Decision Maker (CODM).

Reportable segment	Description of products/services
Material handling equipment	The segment is egnaged in manufacturing of material handling equipments like raw material handling system, stackers, reclaimers, bagging & weighing machines, wagaon & truck loaders, crushers, wagon tipplers, feeders ad port equipments. It is also engaged in executing projects on these material handling equipments.
Transmission equipment	Manufacturing of material transmission equipments like gearboxes, couplings and elevator traction machines.

Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal Group management reports that are reviewed by the CODM. Segment profit is used to measure performance as Group management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Segment revenue from operations:		
(a) Material handling equipment	13,538.42	13,924.65
(b) Transmission equipment	1,06,816.96	90,519.31
Total segment revenue from operations	**1,20,355.38**	**1,04,443.96**
Segment profit/(loss) before tax & interest		
(a) Material handling equipment	(63.44)	(5,043.30)
(b) Transmission equipment	21,105.37	19,601.10
Net segment profit before tax & interest	**21,041.93**	**14,557.80**
Reconciliation of segment profit with profit before tax		
i) Finance cost	3,734.12	5,980.63
ii) Other unallocated corporate expenses net off	679.15	879.29
iii) Unallocable income	(423.98)	(431.28)
Profit before tax as per statement of profit and loss	**17,052.64**	**8,129.16**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

41. Segment reporting (Contd...)

Other information

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Segment assets		
(a) Material Handling Equipment	28,818.77	43,240.68
(b) Transmission Equipment	137,053.60	150,817.53
Total segment assets	**165,872.37**	**194,058.21**
(c) Unallocable	5,972.87	5,215.40
Total assets	**171,845.24**	**199,273.61**
Segment liabilities		
(a) Material Handling Equipment	11,675.99	29,601.18
(b) Transmission Equipment	49,712.35	72,079.65
Total segment liabilities	**61,388.34**	**101,680.83**
(c) Unallocable	5,433.10	5,667.95
Total liabiities	**66,821.45**	**107,348.78**

Geograhical information

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Segment revenue from external customers		
India	78,801.48	68,364.15
Outside India	41,553.90	36,079.81
Total segment revenue	**120,355.38**	**1,04,443.96**

(` in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Non-current assets		
India	67,820.88	71,184.87
Outside India	15,371.51	14,725.79
Total non-current assets	**83,192.40**	**85,910.66**

There is no single external customer which exceeds 10% of the Group's revenue.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

42. Disclosures pursuant to Indian Accounting standard (Ind AS) 115, Revenue from Contracts with Customers:-

a. Disaggregation of revenue

(` in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from long-term construction contracts (A) (revenue recognised over time)	11,794.78	17,882.70
Revenue other than considered in (A) above (revenue recognised Point in time)	108,560.60	86,561.26
Revenue from operations (Refer Note 25)	**120,355.38**	**104,443.96**

The Company believes that the information provided under note 25 and note 42, is sufficient to meet the disclosure requirements with respect to disaggregation of revenue under Ind AS 115, *Revenue from Contracts with Customers.*

b. **Reconciliation the amount of revenue recognised in the consolidated statement of profit and loss with the contracted price:**

(` in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue as per contracted price	122,290.46	105,025.48
Adjustments		
Variable consideration reduction on account of liquidated damages	(2,324.70)	(972.57)
Revenue from contract with customers	**119,965.76**	**104,052.91**
Export incentives	124.86	364.36
Bad debts recovered	264.76	26.69
Revenue from operations (Refer Note 25 and 26)	**120,355.38**	**104,443.96**

c. Contract balances:

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

(` in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	41,507.44	50,773.61
Contract assets		
Unbilled revenue - Other financial assets	6,314.06	19,136.47
Contract liabilities		
Biliing in excess of revenue	554.98	666.83
Accrued contractual liability	-	2,832.00
Advance from customers	11,008.35	13,472.19

d. Unsatisfied performance obligations

The Group applies the practical expedient in Paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations where the Group has a right to consideration from the customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date. Accordingly, the Group recognises revenue by an amount to which the Group has a right to invoice.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd…)
for the year ended 31st March, 2022

43. Lease Transactions

The Group has elected below practical expedients on transition to Ind AS 116:

1. Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
2. Applied the exemption not to recognise right of use assets and lease liabilities with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of right of use asset at the date of initial application.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

The incremental borrowing rate of 4.32% p.a to 14.50% p.a has been applied to lease liabilities recognised in consolidated financial statements.

43.1 As a Lessee - Movement in Lease liabilities

(` in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance as at 1 April	2,208.75	2,711.62
New lease contracts entered during the year	1,825.15	118.75
Remeasurement due to lease modification	-	34.21
Finance costs incurred during the year	170.66	123.40
Payments of Lease Liabilities	881.85	799.92
Exchange differences	172.05	21
Balance as at 31 March (refer note 18)	**3,494.76**	**2,208.75**
Maturity analysis - Undiscounted cash flows		
Less than one year	813.04	671.00
More than one year	3,546.95	1,842.92

43.2. Amounts recognised in profit or loss

(` in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on lease liabilities	170.66	123.40
Expenses relating to short-term leases	1,423.02	1,564.82

43.3. As a Lessor

Lease income from lease contracts in which the Group acts as a lessor is as below:

(` in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Operating Lease	268.00	150.95
Maturity analysis - Undiscounted cash flows		
Less than one year	74.61	77.29

The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

44. Government grants

In response to the COVID-19 coronavirus pandemic, the Group has received government grants from the governments of UK and USA. The Group has reduced the grant received from 'employee benefit expense' in the statement of profit or loss.

The government of UK introduced the job retention scheme for companies that had to shut their operations and furlough staff. Under the programme, an eligible company could apply for the subsidy in an amount of up to 80% of each employee's salary, subject to a maximum of GBP 2,500 per employee per month, to continue paying monthly salaries to its furloughed

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

employees. The employer however needs to cover social security and pension payments. The amount of support reduces from July 2021 to 70% government funded, followed by 60% in August and September, with the scheme terminating at the end of September. The maximum cap per employee also reduces from July to GBP 2,188 and GBP 1,875 respectively. The Company benefited from the programme from April 2021 to March 2022. The Company received a wage subsidy of GBP 37,846 under the programme.

The government of USA introduced the Payroll Protection Payment (PPP) wherein the loan was provided as a direct incentive for small businesses to keep their employees on the payroll at a nominal interest rate of 1% p.a.. A second tranche of PPP loan was received in January 2021 amounting to USD 148,554. As on March 31, 2021, this loan was not waived off. However, the loan was 100% forgiven by the Small Business Administration on in July, 21. The Company reduced the grant received from 'employee benefit expense' in the statement of profit or loss.

Notes to Consolidated Financial Statements (extract)

Employee benefit expense	Domestic currency (in '000)		Reporting currency (` in Lakhs)	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Government grants received				
- UK (GBP)	37.85	184.76	38.52	179.00
- USA (USD)	148.56	170.80	110.69	127.00
- Sweden (SEK)	-	2,036.00	-	170.00
- Netherlands (EUR)	-	130.00	-	112.00
- Italy (EUR)	-	4.00	-	3.00
- Singapore (USD)	-	12.83	-	10.00
			149.21	**601.00**

(` in Lakhs)

45. Additional information as required by Paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013 for the year ended March 31, 2022.

Name of the entity in the group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent								
1. Elecon Engineering Company Limited	86.21%	90,537.46	67.99%	9,551.78	117.39%	(588.71)	66.16%	8,963.07
Subsidiaries								
Foreign								
1. Radicon Transmission UK Limited, United Kingdom.	11.44%	12,016.97	24.47%	3,438.21	-18.27%	91.60	26.05%	3,529.82
2. Elecon Middle East FZE, Middle East	4.54%	4,763.75	7.15%	1,003.84	-	-	7.41%	1,003.84
3. Elecon Singapore Pte. Limited, Singapore	0.68%	709.58	0.37%	52.15	-	-	0.38%	52.15
Associates (Investment as per equity method)								
Indian								
1. Eimco Elecon (India) Limited	5.15%	5,404.76	1.03%	144.23	0.88%	(4.40)	1.03%	139.83
Adjustments arising out of consolidation	-8.01%	(8,408.73)	-1.00%	(140.95)	-	-	-1.04%	(140.95)
Total	**100.00%**	**105,023.78**	**100.00%**	**14,049.26**	**100.00%**	**(501.51)**	**100.00%**	**13,547.75**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

for the year ended March 31, 2021 (` in Lakhs)

Name of the entity in the group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent								
1. Elecon Engineering Company Limited	88.90%	81,719.27	62.93%	3,626.50	67.60%	501.82	63.46%	4,128.32
Subsidiaries								
Foreign								
1. Radicon Transmission UK Limited, United Kingdom.	9.75%	8,961.41	20.75%	1,195.77	32.43%	240.71	22.08%	1,436.48
2. Elecon Middle East FZE, Middle East	3.93%	3,616.35	17.67%	1,018.50	-	-	15.66%	1,018.50
3. Elecon Singapore Pte. Limited, Singapore	0.69%	636.59	2.62%	150.76	-	-	2.32%	150.76
Associates (Investment as per equity method)								
Indian								
1. Eimco Elecon (India) Limited	5.78%	5,312.85	3.25%	187.39	-0.02%	(0.18)	2.88%	187.21
Adjustments arising out of consolidation	-9.05%	(8,321.64)	-7.22%	(415.82)	0.00%	-	-6.39%	(415.82)
Total	**100.00%**	**91,924.83**	**100.00%**	**5,763.10**	**100.00%**	**742.35**	**100.00%**	**6,505.45**

Note:
The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) and net assets of ` Nil for the year ended 31st March 2022 in respect of 3 associates.

46. Description of the Group

The Consolidated financial statements comprise the financial statements of the Holding Company, its subsidiaries, step-down subsidiaries and associates :

Name of the Company	Country of Incorporation	% of Holding either directly or indirectly through a subsidiary		Accounting Period
		March 31, 2022	March 31, 2021	
(a) Subsidiary				
Radicon Transmission UK Limited	United Kingdom	100.00	100.00	April 1, 2021 to March 31, 2022
Elecon Singapore Pte. Limited	Singapore	100.00	100.00	April 1, 2021 to March 31, 2022
Elecon Middle East FZE	UAE	100.00	100.00	April 1, 2021 to March 31, 2022
(b) Step Down Subsidiary				
Benzlers Systems AB	Sweden	100.00	100.00	April 1, 2021 to March 31, 2022
AB Benzlers	Sweden	100.00	100.00	April 1, 2021 to March 31, 2022
Radicon Drive Systems Inc.	USA	100.00	100.00	April 1, 2021 to March 31, 2022
Benzlers Transmission A.S.	Denmark	100.00	100.00	April 1, 2021 to March 31, 2022
Benzlers Antriebstechnik G.m.b.h	Germany	100.00	100.00	April 1, 2021 to March 31, 2022
Benzlers TBA B.V.	Netherlands	100.00	100.00	April 1, 2021 to March 31, 2022
OY Benzlers AB	Finland	100.00	100.00	April 1, 2021 to March 31, 2022
Benzlers Italia s.r.l.	Italy	100.00	100.00	April 1, 2021 to March 31, 2022

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

46. Description of the Group (Contd...)

	Name of the Company	Country of Incorporation	% of Holding either directly or indirectly through a subsidiary		Accounting Period
			March 31, 2022	March 31, 2021	
(c)	**Associate Companies**				
	Elecon Engineering (Suzhou) Co. Limited	China	50.00	50.00	April 1, 2021 to March 31, 2022
	Elecon Africa Pty. Limited	South Africa	50.00	50.00	April 1, 2021 to March 31, 2022
	Elecon Australia Pty. Limited	Australia	50.00	50.00	April 1, 2021 to March 31, 2022
	Eimco Elecon (India) Limited	India	16.62	16.62	April 1, 2021 to March 31, 2022

47. Equity accounted investees

Associates - Eimco Elecon (India) Limited

The Group holds 16.62% interest in Eimco Elecon (India) Limited, which is engaged in manufacturing of equipments for mining and construction sector. Eimco Elecon (India) Limited is a listed company in India. For Eimco Elecon (India) Limited the Group's share is less than 20% equity interest, however the group has determined that it has significant influence because it has representation on the board of the investee. The Group's interest in Eimco Elecon (India) Limited is accounted by using the equity method in the consolidated financial statements. The following table shows the summarised financial information of the Group's investment in Eimco Elecon (India) Limited.

(` in Lakhs)

Percentage ownership interest	March 31, 2022	March 31, 2021
Non-current assets	16,838.46	16,023.08
Current assets	19,707.55	20,942.45
Non-current liabilities	(705.82)	(1,069.13)
Current liabilities	(2,556.16)	(3,165.25)
Net assets	**33,284.03**	**32,731.15**
Group's share of net assets (16.62%)	5,531.81	5,439.93
Less: Elimination of proportionate share in profit on sale of fixed assets by Holding Company (net of deferred tax)	(127.08)	(127.08)
Carrying amount of interest in associates	**5,404.73**	**5,312.85**

(` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
Revenue	8,444.37	12,613.10
Profit after tax	867.79	1,127.50
Other comprehensive income	(26.49)	(1.09)
Total comprehensive income	841.30	1,126.41
Group's share of Profit (16.62%)	144.23	187.39
Group's share of OCI (16.62%)	(4.40)	(0.18)
Group's share of the total comprehensive income (16.62%)	**139.82**	**187.21**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

47. Equity accounted investees (Contd...)

The associate had the following contingent liabilities and capital commitments (` in Lakhs)

Particulars	March 31, 2022	March 31, 2021
a. Income tax demands disputed	200.93	24.32
b. Sales tax demands disputed	3.22	3.22
c. Excise & Service tax demands disputed	702.20	702.20
d. With reference to the judgment of Hon'ble Supreme Court of India, which set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The Management is of the view that there is considerable uncertainty around the timing, manner and extent in which the judgment will be interpreted and applied by the regulatory authorities. Management is of the view that any incremental outflow in this regard can only be determined once the position being taken by the regulatory authorities in this regard is known and the Management is able to evaluate all possible courses of action available accordingly. Further, in view of management, any additional financial liability for the period from the date of the SC order (28 February 2019) to 31 March 2022 is not significant. In addition, pending the outcome of directions from the EPFO, the impact for past periods, if any, is not ascertainable and consequently no financial effect has been provided for in the accounts.	Amount not ascertained	Amount not ascertained
Note: All the above figures are excluding unquantified interest payable wherever applicable and outflow of funds, if any, would depend upon the outcome of the dispute / contingency.		
e. Capital Commitments	312.73	284.61

48. Subsequent event

A fire incidence took place at one of the machines situated at one of the factory sheds of the Holding Company located at its registered office & works located at Anand-Sojitra Road, Vallabh Vidya Nagar, Gujarat – 388120 on April 14, 2022. Loss due to the said fire is estimated approximately of ` 300 lakhs. The Holding Company has adequate insurance coverage and the insurance claim is under process.

49. Other amendments with respect to Schedule III

a) There is no scheme of arrangements approved by the competent authority in terms of sections 230 to 237 of the Companies' Act, 2013.

b) The Group has no such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 (such as search or survey or any other relevant provision of the Income Tax Act, 1961).

c) The Group have not traded or invested in crypto currency or virtual currency during the year.

50. The Consolidated financial statements were authorised for issue by the Holding Company's Board of Directors at their meetings held on 3rd May, 2022.

As per our report of even date attached

For C N K & Associates LLP
Chartered Accountants
Firm's Registration No : 101961 W/W - 100036

For and on behalf of the Board of Directors,
Elecon Engineering Company Limited
CIN: L29100GJ1960PLC001082

Himanshu Kishnadwala
Partner
Membership No: 037391

Prayasvin Patel
Chairman & Managing Director
DIN : 00037394

Dr. Sonal V. Ambani
Director
DIN : 02404841

Narasimhan Raghunathan
Chief Financial Officer

Bharti Isarani
Company Secretary

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

Place : Vallabh Vidyanagar
Date : 3rd May, 2022

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

Annexure - A

Salient features of the financial statements of subsdiaries as per Companies Act, 2013 - Part A

Part A: Subsidiaries

(Currencies in Lakhs)

Sr. No.	Name of the Subsidiary	Currency	Paid up Capital	Reserves & Surplus	Total Assets (including invest-ments in subsid-airy)	Total Liability	Invest-ments (excluding invest-ments in subsid-airy)	Turnover	Profit/ (Loss) before tax	Provision for taxa-tion	Profit/ (Loss) after tax	Proposed Dividend	% of Share-hold-ing
1	Radicon Transmission UK Limited	INR	12,605.02	6,677.72	26,624.19	7,516.07	-	10,332.01	605.32	94.86	510.47	-	100
		GBP	124.86	67.08	267.44	75.50	-	101.51	5.95	0.93	5.02	-	
2	Elecon Singapore Pte. Limited	INR	472.46	222.32	1,359.68	650.10	-	1,746.04	56.75	4.60	52.15	-	100
		USD	6.43	2.93	17.94	8.58	-	23.43	0.76	0.06	0.70	-	
3	Elecon Middle East FZE	INR	119.46	4,640.23	8,120.60	3,356.71	-	5,468.27	1,003.99	-	1,003.99	-	100
		AED	6.00	225.14	394.01	162.87	-	269.66	49.51	-	49.51	-	
4	Benzlers Systems AB	INR	8.38	4,071.25	4,184.87	105.48	-	-	(2.84)	-	(2.84)	-	100
		SEK	1.00	500.48	514.45	12.97	-	-	(0.34)	-	(0.34)	-	
5	AB Benzlers	INR	1,088.95	5,483.72	10,508.52	3,967.29	-	11,081.11	1,512.83	-	1,512.83	-	100
		SEK	130.00	674.11	1,291.81	487.70	-	1,310.30	178.89	-	178.89	-	
6	Radicon Drive Systems Inc.	INR	585.29	(2,972.74)	4,695.17	7,064.29	-	7,523.08	986.58	-	986.58	-	100
		USD	7.96	(39.21)	61.94	93.19	-	100.96	13.24	-	13.24	-	
7	Benzlers Transmission A.S.	INR	173.25	36.91	429.48	223.07	-	604.02	48.93	18.36	30.56	-	100
		DKK	15.00	3.27	38.01	19.74	-	52.87	4.28	1.61	2.68	-	
8	Benzlers Antriebstechnik G.m.b.h	INR	88.04	442.95	688.84	159.31	-	1,115.71	78.46	29.57	48.89	-	100
		EUR	1.02	5.23	8.14	1.88	-	12.89	0.91	0.34	0.56	-	
9	Benzlers TBA B.V.	INR	175.90	804.67	1,583.83	606.21	-	3,442.50	104.04	28.46	75.58	-	100
		EUR	2.04	9.50	18.71	7.16	-	39.77	1.20	0.33	0.87	-	
10	OY Benzlers AB	INR	130.33	138.74	795.11	528.22	-	1,353.19	88.78	17.76	71.02	-	100
		EUR	1.51	1.64	9.39	6.24	-	15.63	1.03	0.21	0.82	-	
11	Benzlers Italia s.r.l.	INR	8.61	178.91	292.21	103.51	-	725.22	71.01	-	71.01	-	100
		EUR	0.10	2.11	3.45	1.22	-	8.38	0.82	-	0.82	-	

As on 31.03.22: 1 GBP = 99.55 ` , 1 USD = 75.81 ` , 1 EURO = 84.66 ` , 1 DKK = 11.30 ` , 1 AED = 20.61 ` , 1 SEK = 8.14 `

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd...)
for the year ended 31st March, 2022

Annexure - B

In compliance of Part A of Schedule V of SEBI (Listing Obligations & Disclosure Requriements) Regulations, 2015; following are the related party transactions made between respective promoter group entities and the Company during the financial year 2021-22 on consolidated basis:-

(` in Lakhs)

Sr. No.	Particulars	2021-22		2020-21	
		Emtici Engineering Limited	Prayas Engineering Limited	Emtici Engineering Limited	Prayas Engineering Limited
1	Purchase of material / finished goods	0.16	646.06	0.01	109.04
2	Miscellaneous income	-	0.71	-	0.17
3	Erection and other charges	-	16.91	-	66.98
4	Sale of finished goods/ consumable stores	-	76.64	-	16.02
5	Purchase of property plant and equipment	-	-	-	12.51
6	Sales of property plant and equipment	-	-	-	61.35
7	Other expenses charged from related parties	14.11	3.41	11.07	-
8	Other expenses charged by related parties	1,106.27	291.85	1071.08	310.60
9	Sales and other commission expense	20.96	-	50.00	0.00

NOTICE

NOTICE IS HEREBY GIVEN THAT the 62nd Annual General Meeting of Members of Elecon Engineering Company Limited will be convened on Tuesday, the 28th day of June, 2022 at 3:00 p.m. **through Video Conferencing (VC)/Other Audio Visual Means (OAVM),** to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at Vallabh Vidyanagar – 388 120, Gujarat.

ORDINARY BUSINESS

1. To consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended on 31st March, 2022 and the Reports of Auditors and the Board of Directors ("the Board") thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Prashant C. Amin (DIN: 01056652), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('Listing Regulations') including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and in accordance with the Articles of Association of the Company, Shri Ashutosh Pednekar (DIN: 00026049), who was appointed as an Additional Director (Non-Executive Independent Director) of the Company by the Board of Directors at its meeting held on 3rd May, 2022 pursuant to Section 161 of the Companies Act with effect from 1st July, 2022, as recommended by the Nomination and Remuneration Committee and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years from 1st July, 2022 and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013.

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

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Y. S. Thakar & Co., Cost & Management Accountants having Firm Registration No. 000318 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2022-23 amounting to ` 85,000/- Plus Govt. Levies/Taxes as applicable and out-of-pocket expenses incurred by them in connection with the aforesaid audit at actual, be and is hereby ratified and confirmed.

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

Registered Office:
Anand-Sojitra Road
Vallabh Vidyanagar - 388 120.
Gujarat.
Date : 3rd May, 2022

By Order of Board of Directors,

Bharti Isarani
Company Secretary

NOTES:-

1. The explanatory statement as required under Section 102(1) of the Companies Act, 2013 ('the Act') relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto and forms part of this notice.

2. In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19 Pandemic, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 21/2021 dated 14th December, 2021 (including other applicable circular(s) as issued by MCA) and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct their AGMs through Video Conferencing (VC) or Other Audio Visual Means (OAVM). In accordance with the said circular(s) of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the 62nd AGM of the Company shall be conducted through VC / OAVM.

3. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020 read with Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, Notice of the AGM alongwith the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website **www.elecon.com**, website of Stock Exchanges i.e. BSE Limited at **www.bseindia.com** and National Stock Exchange of India Limited at **www.nseindia.com**.

4. The details required under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS- 2) issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/ re-appointment at this AGM forms part as **Annexure-A** of the Notice.

5. Since this AGM is being held through VC/ OAVM, pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.**

6. Participation of members through VC/ OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

7. Facility of joining the AGM through VC / OAVM shall open 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 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.

8. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC / OAVM. Corporate members intending to authorize their representatives to participate and vote at the meeting, are requested to send a certified copy of the Board Resolution / authorization letter to the Company or upload on the VC / OAVM portal / e-voting portal.

9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM, based on the request being received on **investor.relations@elecon.com.**

10. All documents referred to in the Notice and Explanatory Statement will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice upto the date of AGM. Members seeking to inspect such documents can send an email to **investor.relations@elecon.com**.

11. The Register of Members and Share Transfer books of the Company will remain closed from Saturday, 11th June, 2022 to Tuesday, 28th June, 2022 (both days inclusive).

12. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participant(s) of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.

13. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to Link Intime India Pvt. Limited, Registrar and Share Transfer Agent of the Company or Investor Service Department of the Company immediately by sending a request on email at **vadodara@linkintime.co.in** or **investor.relations@elecon.com**.

14. The Annual Listing Fees for the Financial Year 2022-23 have been paid to the Stock Exchanges where Company's securities are listed.

15. Process for registration of Email Id for obtaining Annual Report, User ID and password for e-voting:

    i. In case shares are held in physical mode, members are requested to visit on the website of Company's Registrar & Share Transfer Agent namely Link Intime India Private Limited at **https:/linkintime.co.in/EmailReg/Email_Register.html** and upload the documents required therein.

    ii. In case shares are held in demat mode, members are requested to update Email Id and bank account details with their respective Depository Participants.

16. Members holding the shares in physical mode are requested to notify immediately for change of their address and bank particulars to the R & T Agent of the Company.

    In case the shares are held in dematerialized form, then information should be furnished directly to their respective Depository Participant (DP) only.

17. The Company has a designated email ID for Redressal of Shareholders'/Investors' Complaints/Grievances. Hence, please write to us at **investor.relations@elecon.com.**

18. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 which have come into force from 7th September, 2016, the Company has transferred, on due dates, the unclaimed final dividend for the Financial Year 2013-14 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

    Further in terms of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereto and notifications issued by the Ministry of Corporate Affairs from time to time, the Company has transferred during the year, the required number of shares in respect of which dividends had remained unpaid or unclaimed for a period of seven consecutive years or more, to the IEPF Suspense Account.

    The details of the shareholders whose equity share had been transferred to the IEPF Suspense Account and dividends which remain with the Company as unclaimed is available on the website of the Company at **www.elecon.com**. Shareholders may claim the same by making an application to the IEPF Authority in E-Form No. IEPF-5 available on **www.iepf.gov.in**. For details, please refer to corporate governance report which is a part of this Annual Report.

19. Dividend Related Information:

    Subject to approval of the Members at the said AGM, the dividend will be paid on/after 1st July, 2022 to the Members whose names appear on the Company's Register of Members as on the Record Date i.e. closure of business hours on Friday, 10th June, 2022 (Record date for dividend payment) and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

    Payment of dividend shall be made through electronic mode to the Members who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the Members who have not updated their bank account details.

    Members are requested to register / update their complete bank details:

(a) with their Depository Participant(s) with which they maintain their demat accounts, if shares are held in dematerialized mode, by submitting forms and documents as may be required by the Depository Participant(s); and

(b) with the Company / Link Intime India Private Limited by clicking on **https:/www.linkintime.co.in/EmailReg/Email_Register.html** or by emailing at **investor.relations@elecon.com** or **vadodara@linkintime.co.in**, if shares are held in physical mode, by submitting:

    (i) Scanned copy of the signed request letter which shall contain Member's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details),

    (ii) Self-attested copy of the PAN card, and

    (iii) Cancelled cheque leaf.

    Tax Deductible at Source / Withholding tax:

    Pursuant to the requirement of Income Tax Act, 1961, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate would vary depending on the residential status of the shareholder and documents submitted by shareholder with the Company/Link Intime India Private Limited/ Depository Participant.

20. Other information relating to Remote E-Voting are as under:

    (i) In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the Listing Regulations, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by Link Intime India Private Limited. Shareholders who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by shareholders holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice.

(ii) The e-voting period begins on Saturday, 25th June, 2022 at 9:00 a.m. and ends on Monday, 27th June, 2022 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, 21st June, 2022 ("cut-off date for e-voting"), may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited ("LIIPL") for voting thereafter.

(iii) The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who 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 the e-voting system during the AGM.

(iv) Any person who acquires shares of the Company and becomes a shareholders of the Company after sending of the Notice and holding shares as of the cut-off date of e-voting, may obtain the login ID and password by sending a request at instameet@linkintime.co.in. However, if he/she is already registered with LIIPL for remote e-voting, then he/she can use his/her existing user ID and password for casting the vote.

(v) Shri Dineshkumar G. Bhimani, Practicing Company Secretary (Membership No. FCS: 8064; CP No. 6628) has been appointed as the Scrutinizer to scrutinize the e-voting at the meeting and remote e-voting process in a fair and transparent manner.

(vi) The Scrutinizer will submit his report to the Chairman of the Company or to any other person authorised by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The results declared alongwith the Scrutinizer's Report shall be communicated to the stock exchanges, LIIPL and will also be displayed on the Company's website.

(vii) Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. 1st April, 2019. Accordingly, the Company / LIIPL has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

(viii) Members holding shares in physical mode are: a) required to submit their Permanent Account Number (PAN) and bank account details to the Company/ LIIPL, if not registered with the Company/LIIPL, as mandated by SEBI by writing to the Company at investor.relations@elecon.com or to LIIPL at vadodara@linkintime.co.in alongwith the details of folio no., self-attested copy of PAN card, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque.

(ix) Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form may file their nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent i.e. LIIPL. In respect of shares held in electric/demat form, the nomination form may be filed with the respective Depository Participant.

(x) Non-Resident Indian members are requested to inform LIIPL / respective DPs, immediately of: a) Change in their residential status on return to India for permanent settlement b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

Members are requested to send all their documents and communications pertaining to shares to the Registrar & Transfer (R & T) Agent of the Company – Link Intime India Private Limited, at their address at B-102/103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Nr. Radhakrishna Crossing , Akota, Vadodara - 390 020, Telephone No. +91 265 6136000/2356573, for both physical and demat segments of Equity Shares.

Please quote on all such correspondence – "Unit – Elecon Engineering Company Limited." **For Shareholders queries – Telephone No.** +91 265 6136000/2356573 **Email ID** **vadodara@linkintime.co.in** **Website** **www.linkintime.co.in.**

21. The Instructions of Remote E-Voting for Shareholders are as under:

As per the SEBI circular dated 9th December, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

1. **Individual Shareholders holding securities in demat mode with NSDL:**

   1. Existing IDeAS user can visit the e-Services website of NSDL viz. https:/eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under

"Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.

2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (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 i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL:

1. Existing users who have opted for Easi/Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.

2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.

4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

3. 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. Upon logging in, you will be able to see e-Voting option. 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 i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in
2. Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details:-
   A. **User ID:** Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
   B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*Shareholders holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above.

*Shareholders holding shares in **NSDL form**, shall provide 'D' above.

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
- Click **"confirm"** (Your password is now generated).

3. Click on 'Login' under **'SHARE HOLDER'** tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'**.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
4. After selecting the desired option i.e. Favour / Against, click on **'Submit'**. A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes'**, else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https:/instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

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

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: **https:/ instavote.linkintime.co.in**.

- Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#$&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company.

<u>**Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**</u>

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- ➢ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ➢ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- ➢ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

PROCESS AND MANNER FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

1. Open the internet browser and launch the URL: **https://instameet.linkintime.co.in**

➢ Select the **"Company"** and **'Event Date'** and register with your following details: -

A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No.

- Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.
- Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company.

B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. **Mobile No.:** Enter your mobile number.

D. **Email ID:** Enter your email id, as recorded with your DP/Company.

➢ Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

<u>Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.</u>

<u>**Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**</u>

1. Shareholders who would like to speak during the meeting must register their request on or before Friday, 24th June, 2022 with the company on the **investor.relations@elecon.com** created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

<u>Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.</u>

<u>**Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**</u>

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note:

Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet 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 facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

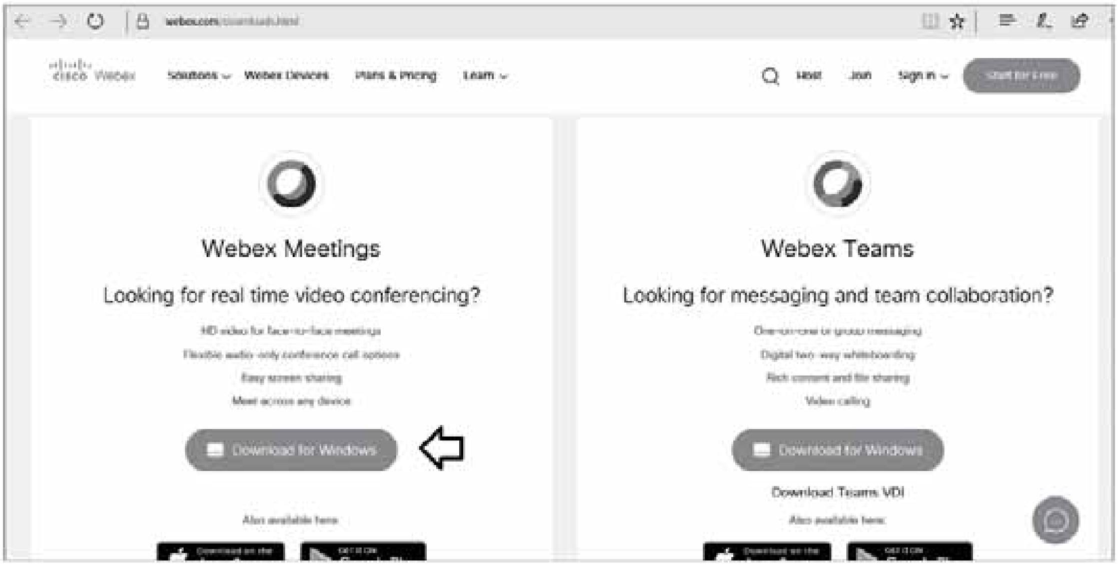
Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to **instameet@linkintime.co.in** or contact on: - Tel: 022-49186175.

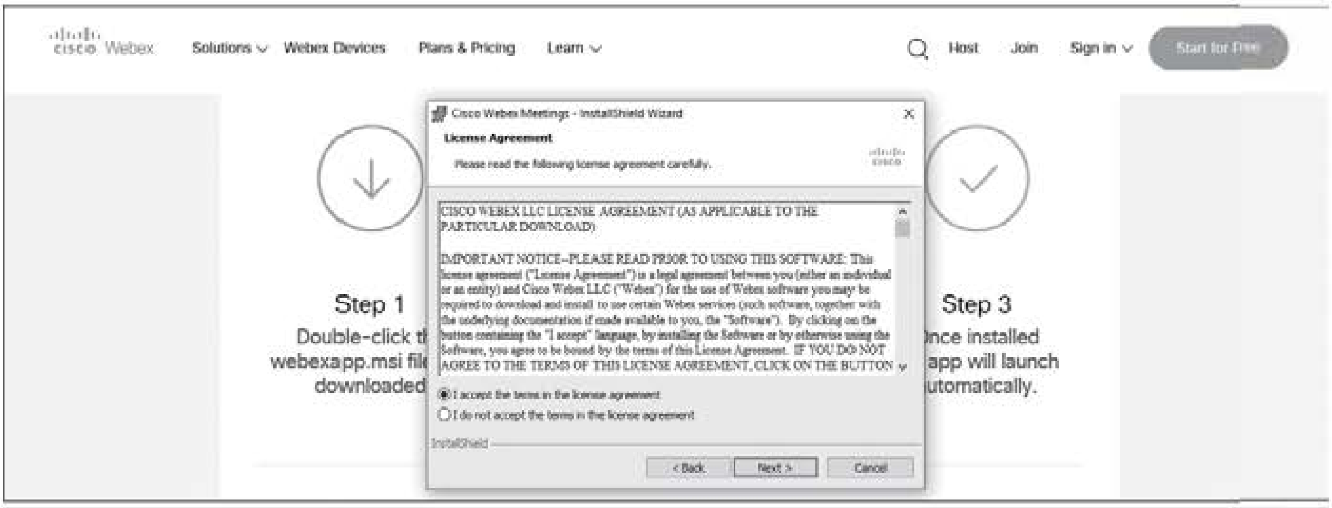
Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

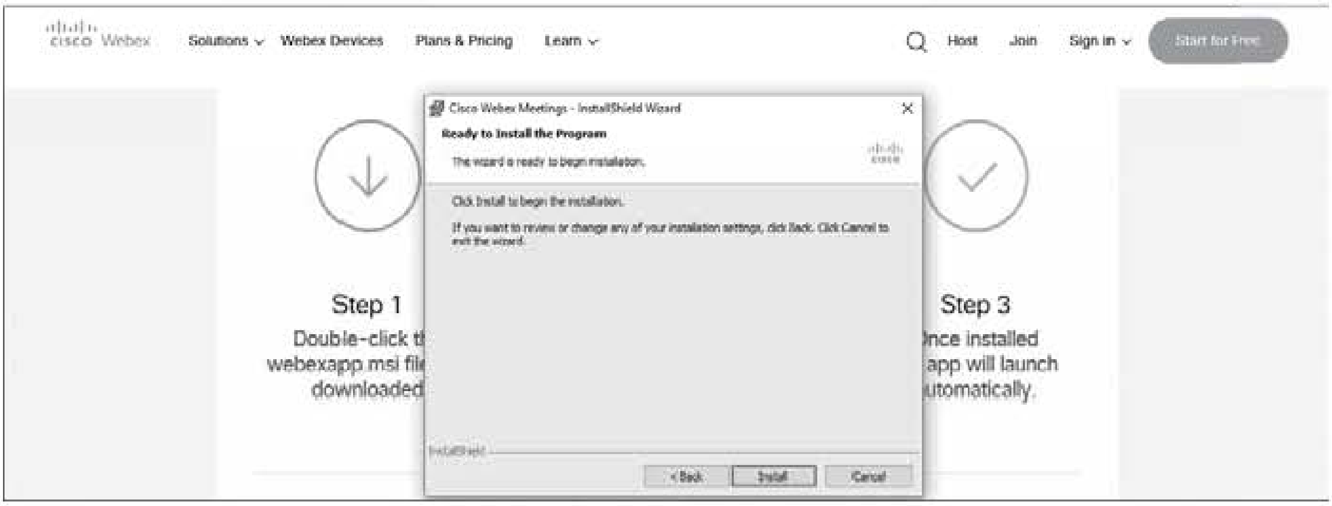
For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

a) Please download and install the Webex application by clicking on the link **https:/www.webex.com/downloads.html/**




cisco Webex
Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Cisco Webex Meetings - InstallShield Wizard
Welcome to the InstallShield Wizard for Cisco Webex Meetings
The InstallShield(R) Wizard will install Cisco Webex Meetings on your computer. To continue, click Next.
WARNING: This program is protected by copyright law and international treaties.
< Back
Next >
Cancel
Step 1
Step 3
app will launch
To open the app double-click
the Webex Meetings icon on your


cisco Webex
Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Cisco Webex Meetings - InstallShield Wizard
License Agreement
Please read the following license agreement carefully.
CISCO WEBEX LLC LICENSE AGREEMENT (AS APPLICABLE TO THE PARTICULAR DOWNLOAD)
I accept the terms in the license agreement
I do not accept the terms in the license agreement
InstallShield
< Back
Next >
Cancel
Step 1
Step 3
app will launch


cisco Webex
Solutions
Webex Devices
Plans & Pricing
Learn
Host
Join
Sign in
Start for Free
Cisco Webex Meetings - InstallShield Wizard
Ready to Install the Program
The wizard is ready to begin installation.
Click Install to begin the installation.
If you want to review or change any of your installation settings, click Back. Click Cancel to exit the wizard.
InstallShield
< Back
Install
Cancel
Step 1
Step 3
app will launch

OR

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1 : Enter your First Name, Last Name and Email ID and click on Join Now.

1 (A) If you have already installed the Webex application on your device, join the meeting by clicking on Join Now

1 (B) If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or **Run a temporary application.**

Click on **Run a temporary application**, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now.

By Order of Board of Directors,

Registered Office:
Anand-Sojitra Road
Vallabh Vidyanagar - 388 120.
Gujarat.
Date : 3rd May, 2022

Bharti Isarani
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

Shri Ashutosh Pednekar is a Chartered Accountant and a Partner of M. P. Chitale & Co., Chartered Accountants since 1992. M. P. Chitale & Co. is one of the leading firms of Chartered Accountants in India with a significant presence of almost seven decades.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 ('the Act') and applicable rules made thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'); the Company had, appointed Shri Ashutosh Pednekar (DIN: 00026049) as an Additional Director (Non-Executive Independent Director) with effect from 1st July, 2022.

The Nomination & Remuneration Committee has recommended and the Board has approved the appointment of Shri Ashutosh Pednekar, as an Independent Director as per the terms and conditions of his letter of appointment for a period of five (5) years with effect from 1st July, 2022 subject to approval of shareholders.

Shri Ashutosh Pednekar has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations. In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as an Independent Director as well as the Nomination and Remuneration Policy of the Company and he is independent of the Management.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations; his appointment as a Non-Executive Independent Director is now being placed before the Members for their approval. The terms and conditions of appointment of Independent Directors is available at the website of the Company.

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Except Shri Ashutosh Pednekar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 4.

A brief profile of Shri Ashutosh Pednekar is attached to the notice.

Item No. 5

In accordance with the provisions of Companies (Cost Records and Audit) Rules, 2014, the Company is required to get its cost records audited from a qualified Cost Accountant.

The Board at its meeting held on 3rd May, 2022, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2022-23 as per the following details:

Sr. No.	Name of Cost Auditor	Industry	Audit Fees (`)
1.	M/s. Y. S. Thakar & Co.	Engineering	85,000/- Plus Govt. Levies/Taxes as applicable and out-of-pocket expenses at actual.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors of the Company for the financial year 2022-23 as set out in the resolution for aforesaid services to be rendered by them.

Accordingly, the Board of Directors recommends the resolution set forth at Item No. 5 of this Notice for your approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested financially or otherwise in the resolution set out at Item No. 5.

By Order of Board of Directors,

Registered Office:
Anand-Sojitra Road
Vallabh Vidyanagar - 388 120.
Gujarat.
Date : 3rd May, 2022

Bharti Isarani
Company Secretary

Annexure-A

Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015

Name of Director	**Shri Ashutosh Pednekar**	**Shri Prashant C. Amin**
Date of Birth	03.01.1966	09.08.1956
Date of Appointment	01.07.2022	29.07.2008
DIN	00026049	01056652
Qualifications	Chartered Accountant	M.B.A. (Finance) (U.S.A.) & Master Degree in Engineering & Management, BITS, Bilani
Brief Resume & Expertise in specific Functional areas	Shri Pednekar is a Practising Chartered Accountant and is a Partner of M. P. Chitale & Co., Chartered Accountants since 1992. M. P. Chitale & Co. is a member of DFK International - a top ten association of accounting firms and business advisors. He was the Chairman of DFK International's Accounting & Assurance Services Committee. He was also involved by ICAI, RBI and IRDAI in various research projects. He is experienced Chartered Accountant with a demonstrated history of working in the financial services and infrastructure industries. His graduation is from Information Systems Audit & Control Association (USA). He is well versed in the fields of accountancy, finance, risk management, insurance contracts etc., who brings a wealth of experience and financial acumen to the Elecon's Board and his vast experience in the realm of various fields will be greatly beneficial to the Company.	Shri Prashant C. Amin has approximately 41 years of experience in operating enterprises with strong leadership, strategy building and operational direction; successfully acquiring, integrating & managing foreign companies, with varied ownership structures and operating cultures. He has also served as an Executive Director of Elecon Engineering Company Limited from June, 2011 to May, 2020. He is also actively involved in the local business developments as trustee at the Vithal Udyognagar Industries Association and Charutar Arogya Mandal at Anand, Gujarat. He is a Board Member of the Sardar Patel Renewable Energy Research Institute. He also served CII, Gujarat as its Chairman.
Skills and Capabilities required for the Role and the manner in which he meets such requirements.	Being a Chartered Accountant with over 30 years of experience, he has the requisite skills and capabilities for handling the desired role & responsibilities.	He has strong operational, personal and social networking, deep understanding of multicultural business challenges, strong financial acumen, detailing, analytical and common sense approach. He is a strong believer in technology and continuous improvements, customer engagement and innovations.
Other Listed Companies in which Directorship held as on 31st March, 2022 (alongwith listed entities from which the person has resigned in the past three years).	None as on 31st March, 2022. He was appointed as a non-executive independent director of SBI Life Insurance Company Limited from 20th August, 2020 to 3rd September, 2020.	- Eimco Elecon (India) Limited
Chairman/Membership of Audit Committee and Stakeholders' Relationship Committees in other Listed Companies as on 31st March, 2022 (alongwith listed entities from which the person has resigned in the past three years).	None	**Eimco Elecon (India) Limited** - Stakeholders' Relationship Committee – Chairman
No. of Shares held in the Company	Nil	39,675
Relationship with any Director of the Company	Not Applicable	Not Applicable

ELECON ENGINEERING COMPANY LIMITED
CIN : L29100GJ1960PLC001082

Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120.
Tal. & Dist. Anand, Gujarat.
Tel. No. (02692) 227109, 230166
Fax No. (02692) 227020
Website : www.elecon.com

Dear Shareholder,

RE : Electronic Credit of Dividend

The Reserve Bank of India has introduced National Electronic Clearing Service (NECS) in banking system to bring in further efficiency and uniformity in electronic credit. NECS has wider coverage than ECS and has no limitations of location in India. NECS ensures quick credit and no rejections. NECS is operational for banks / bank branches leveraging on Core Banking System (CBS), which provide more than ten digit bank account number to its customers.

As per our records, there is no mandate registered either with us or with your DP. To take advantage of the NECS facility and to enable us to route all your future dividend payments electronically, please return the NECS mandate form, given overleaf.

ADVANTAGES OF REGISTERING NECS MANDATE

- No limitations of location in India.
- Quick remittance of dividend.
- Avoid loss of dividend warrants in Postal transit.
- Avoid fraudulent encashment of dividend.
- Avoid revalidation of unencashed dividend warrants.
- Avoid transfer of unclaimed dividend to Investor Education and Protection Fund Authority (IEPFA).

PLEASE HURRY UP & FILL IN THE FORM OVERLEAF AND ENSURE ELECTRONIC CREDIT.

Kindly return the completed mandate form given overleaf.

Best Regards,
For Elecon Engineering Company Limited,

Bharti Isarani
Company Secretary

NOTE : For shares held in physical form, please submit this form to our Registrar and Share Transfer Agent viz., M/s. Link Intime India Pvt. Ltd. at the address mentioned overleaf and for shares held in demat form, please submit the form to your Depository Participant (DP).

NECS MANDATE FORM

PLEASE FILL UP THIS FORM AND ARRANGE TO SEND IT TO :

The following address if shares are held in physical form OR To your DP if shares are held in demat form

To,

M/s. Link Intime India Pvt. Ltd.
B-102 & 103, Shangrila Complex,
1st Floor, Opp. HDFC Bank
Near Radhakrishna Crossing,
Akota, Vadodara - 390 020.

1. Name of 1st Registered holder (in Block Letters) : ....
2. Folio No. / DPID & Client ID No. : ....
3. Name of the Bank : ....
4. Name of the Branch : ....
5. Account Number (As appearing on your Cheque Book) : ....
6. Account Type (Saving Bank A/c. Current A/c. or Cash Credit) with code :

S.B.	Current	Cash Credit

7. 9-Digit MICR Code Number of the Bank : & Branch appearing on the MICR cheque issued by the Bank.

(Please attach a photocopy of a cheque or cancelled cheque for verifying the accuracy of the MICR code Number)

8. *11-Digit IFSC Code :

(Optional - Can be obtained from your banker)

Signature of the First Registered Shareholder
(As per the specimen signature with the Company / DP)

Name : ____________________

Address : ____________________

____

Phone No. : ____________________

Date : ____________________

Email Id : ____________________

* The Company, its Registrars and Bankers will make best endeavors to remit dividend through NECS. However, for non CBS branches of the banks, the IFSC Code will be utilized to remit the dividend either by National Electronic Funds Transfer (NEFT) or Real Time Gross Settlement (RTGS). The branch where you operate your bank account will assist you to provide the IFSC, an 11-digit code to enable the remittance through NEFT or RTGS.

ELECON ENGINEERING COMPANY LIMITED
CIN : L29100GJ1960PLC001082
Anand-Sojitra Road, Vallabh Vidyanagar – 388 120 Tal. & Dist. Anand, Gujarat.
Tel No. (02692) 227109, 230166, Fax No. (02692) 227020, Website : www.elecon.com

Dear Shareholder,

Sub: Green Initiative

Ministry of Corporate Affairs ("MCA") has launched a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies. MCA has issued circular nos. 17/2011 dt. 21-04-2011 & 18/2011 dt. 29-04-2011 stating that the service of a notice / document by a Company to its shareholders can now be made through electronic mode. In view of the above, your Company proposes to henceforth send Annual Report (Audited Financial Statements, Boards' Report, Auditors' Report, etc.,) and all communications/documents such as the Notice of the Annual General Meeting, to the shareholders in Electronic Form to the email address registered with their Depository Participants.

In order to join the initiative and to receive the documents in electronic form, kindly comply with the following:

For Shareholders holding shares in Demat Form

In case you desire to receive the aforesaid documents in electronic mode, kindly update your e-mail ID in the Demat account by contacting your Depository Participant. E-mail updated in the demat account would be used to send documents through electronic mode. If you have already registered your e-mail ID earlier, please ignore this request.

TO BE SENT DIRECTLY TO DEPOSITORY PARTICIPANT (i.e. Address where you have opened your Demat Account)		
DP ID / Client ID :	Name :	
E-mail ID :	Signature : ______________________	PAN :

For Shareholders holding shares in Physical form

In case you desire to receive the aforesaid documents in electronic mode in lieu of Physical mode, kindly update your e-mail ID with our Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited by mailing your E-mail ID with the following details to vadodara@linkintime.co.in.

TO BE SENT TO US BY USING BUSINESS REPLY ENVELOPE AS PRINTED ON REVERSE		
Folio No. :	Name :	
E-mail ID :	Signature : ______________________	PAN :

For registering your e-mail address with us, you are requested to forward us this page duly filed up along with self attested copy of your PAN Card in attached pre-paid Business Reply Envelope. You are not required to affix/pay any postage expense for dispatch of the said envelope to us.

Members who have not yet dematerialized their shares are requested to get their shares dematerialized at the earliest.

You may also send your consent in writing to our Registrar and Share Transfer Agent to the following address:

M/s. Link Intime India Private Limited,
Unit: **Elecon Engineering Company Limited,**
B- 102 and 103, Shangrila Complex, 1st Floor,
Opp. HDFC Bank, Near Radhakrishna Crossing,
Akota, Vadodara-390 020.

We at 'Elecon' appreciate the "Green Initiative" taken by MCA and trust you would help implementing the e-governance initiatives of the Government.

Thanking you,

Yours faithfully,
For Elecon Engineering Company Limited,

Bharti Isarani
Company Secretary

BUSINESS REPLY ENVELOPE

POSTAGE
WILL BE
PAID BY
ADDRESSEE

BR-PERMIT NO. L2/And./BRP-7
V.V.NAGAR. P.O.

No
Postage
necessary
if posted
in India

To,
Company Secretary
Elecon Engineering Company Limited
Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120,
Gujarat.

FOLD

ELECON ENGINEERING COMPANY LIMITED
Anand - Sojitra Road, Vallabh Vidyanagar - 388 120, Gujarat, INDIA.
Tel: +91 2692 238 701/702/703/704, 236 469, Fax: +91 2692 227 020.
Website: www.elecon.com | CIN L29100GJ1960PLC001082