

August 29, 2020

To,  
Corporate Relationship Department,  
BSE Ltd,  
25<sup>th</sup> floor, P.J.Towers,  
Dalal Street, Fort,  
Mumbai 400 001.

**Ref: RAM RATNA WIRES LIMITED (Scrip Code: 522281)**

**Sub.: Annual Report for the Financial Year 2019-20, Notice convening the 28<sup>th</sup> Annual General Meeting ("AGM")**

Dear Sir/Madam,

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual report of the Company for the financial year 2019-20 along with the Notice convening the 28<sup>th</sup> AGM scheduled to be held on Thursday, 24<sup>th</sup> September, 2020 at 11.00 a.m. through Video Conferencing (VC)/Other Audio Visual Means (OAVM), in accordance with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India, to transact the business as set out in the Notice of the 28<sup>th</sup> AGM. The Annual Report is also available on the Company's website at [www.rsrshramik.com](http://www.rsrshramik.com).

Further in compliance with relevant circulars issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Notice convening the AGM and the Annual Report of the Company for the financial year 2019-20 has been sent to all the members of the Company whose email addresses are registered with the Company / Depository Participant(s) / Registrar and Transfer Agent.

This is for your information and record.

Thanking you,

Yours faithfully,

For **Ram Ratna Wires Limited**,

  
**Saurabh Gupta**  
**Company Secretary**  
**ACS 53006**





**RAM RATNA WIRES LTD.**

**28<sup>th</sup> Annual Report 2019-20**





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01 113 086546



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ISO 14001:2015  
01 104 086546

**ACMA**  
CERTIFICATE OF  
MEMBERSHIP



## 28<sup>th</sup> ANNUAL GENERAL MEETING

Day & Date : Thursday, 24<sup>th</sup> September, 2020

Time : 11:00 a.m.

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## COMPANY INFORMATION

### CHAIRMAN EMERITUS

**Shri Rameshwarlal Kabra** ..... Chairman Emeritus (Appointed w.e.f. 17<sup>th</sup> September, 2019)

### BOARD OF DIRECTORS AS ON 31<sup>st</sup> MARCH, 2020

**Shri Tribhuvanprasad Kabra** ..... Chairman (Appointed w.e.f. 1<sup>st</sup> June, 2019)

**Shri Mahendrakumar Kabra** ..... Managing Director (Appointed w.e.f. 30<sup>th</sup> May, 2019)

**Shri Hemant Kabra** ..... Executive Director and CFO

**Smt. Kirtidevi Kabra** ..... Director

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

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

**Dr. Ajai Singh** ..... Independent Director

**Shri H. S. Upendra Kamath** ..... Independent Director

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

### OFFICE & MANUFACTURING UNITS

**REGISTERED OFFICE** : Ram Ratna House, Oasis Complex, P. B. Marg, Worli, Mumbai - 400 013.

Website : [www.rrshramik.com](http://www.rrshramik.com) • CIN : L31300MH1992PLC067802

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

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

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

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

### REGISTRAR AND SHARE TRANSFER AGENT

**Bigshare Services Private Limited**, 1<sup>st</sup> Floor Bharat Tin Works Building, Makwana Road, Marol , Andheri (E), Mumbai - 400 069.

T : 91-22-62638200/62638212 • F : 91-22-62638299 • W : [www.bigshareonline.com](http://www.bigshareonline.com)

**COMPANY SECRETARY**

Shri Saurabh Gupta

**STATUTORY AUDITORS**

Bhagwagar Dalal & Doshi ..... Chartered Accountants, Mumbai

**COST AUDITORS**

Poddar and Company ..... Cost Accountants, Thane

**SECRETARIAL AUDITOR**

Khanna & Co. .... Practicing Company Secretaries, Navi Mumbai

**INTERNAL AUDITORS**

DMKH & Co. .... Chartered Accountants, Mumbai

**BANKERS**

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



## CHAIRMAN EMERITUS



**SHRI RAMESHWARLAL KABRA**

CHAIRMAN EMERITUS  
APPOINTED W.E.F. 17<sup>TH</sup> SEPTEMBER, 2019

## BOARD OF DIRECTORS AS ON 31<sup>ST</sup> MARCH, 2020



**SHRI TRIBHUVANPRASAD KABRA**

CHAIRMAN  
APPOINTED W.E.F. 1<sup>ST</sup> JUNE, 2019



**SHRI MAHENDRAKUMAR KABRA**

MANAGING DIRECTOR  
APPOINTED W.E.F. 30<sup>TH</sup> MAY, 2019



**SHRI HEMANT KABRA**

EXECUTIVE DIRECTOR AND CFO



**SHRI SANDEEP JHANWAR**

INDEPENDENT DIRECTOR



**SHRI R. KANNAN**

INDEPENDENT DIRECTOR



**SMT KIRTIDEVI KABRA**

DIRECTOR



**SHRI H. S. UPENDRA KAMATH**

INDEPENDENT DIRECTOR



**DR. AJAI SINGH**

INDEPENDENT DIRECTOR



**SHRI RAMESH CHANDAK**

INDEPENDENT DIRECTOR

## CHAIRMAN'S LETTER



Dear Shareholders,

With hope and prayers, that all our esteemed shareholders and their loved ones are safe and healthy, I am pleased to present the 28<sup>th</sup> Annual Report 2019-20 of Ram Ratna Wires Ltd.

With the roller-coaster ride FY 19-20 was, your company has been able to post reasonable figures. Revenue from Operations stood at ₹ 1255 Crores in year 2019-20 as against ₹ 1,250 Crores in year 2019-20.

Economy witnessed a sluggish demand, right from the beginning of third quarter FY 2019-20. Majority of our business being B2B, we were no different and started feeling the pinch of the slowdown from November 2019. With right plans in place, we started to gear-up our volumes from January 2020. Market again started to become unpredictable from February 2020, with the world looking at a very real and grim possibility of COVID-19 pandemic. The whole FY 2019-20 can be summed-up in the words of Charles Darwin as – "Survival of the fittest".

As the world faces the huge challenges raised by COVID-19, every company is formulating its own strategy to cope up with the fall out COVID brings. In early March 2020, following Charles Darwin's words of wisdom, your company and its business associates set about to plan the road map to survival and recovery during and after the Pandemic and ensure minimum damage.

We believe that the present government has all potential to shape the future of our country's economy, amidst all the chaos and uncertainty caused by this pandemic. With focus shifting to farm sectors, need of the hour – pharmaceutical industry, leveraging the start-ups, consumer goods and so on, government has brought in the dynamic bend to lead the nation to become "ATMANIRBHAR"

With continual, corrective efforts, we started to witness positives from the beginning of May 2020 itself. With firm, determined & focused planning we ensured that not only we pay 100% remuneration to our human resources, but also pay all our vendors on time. Not only this, we paid a few of our vendors before time when they reached out to us with their genuine needs. We were convinced that with our this little effort we would play our part in enhancing circulation of money and help bail-out our vendors in need.

With financial packages given by the government, we foresee that the Indian economy will recover quicker than anticipated. We believe that there will be strengthening of supply and value chains driven by increasing domestic demand and consumption. With more emphasis on Make in India and becoming ATMANIRBHAR, there is every reason to look to a promising future for your company and our country.

I would like to thank all team members for their commitment, loyalty and service to the Company. I would also like to thank the Board of Directors for their unstinted support. I would like to express my gratitude to our loyal Shareholders and customers for their continued support and reposing their trust in the Company for all these years. I continue to count on your support as we move towards better days.

With Warm regards  
**Tribhuvanprasad Kabra**  
Chairman



## FINANCIAL HIGHLIGHTS - STANDALONE

(₹ in Lakhs)

Description	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
<b>A. Operating Results:</b>								
Net Revenue from Operations	125,548.28	125,013.64	102,724.95	80,082.95	71,904.81	74,091.18	69,859.49	68,550.34
Other Income	408.39	341.45	284.06	164.70	170.24	230.53	112.48	101.09
<b>Net Profit before Taxation</b>	<b>1,638.04</b>	<b>2,442.61</b>	<b>4,175.61</b>	<b>3,339.40</b>	<b>1,447.32</b>	<b>1,508.38</b>	<b>1,080.40</b>	<b>1,263.79</b>
Provision for Taxation	211.74	845.79	1,524.54	1,150.70	512.59	526.18	387.47	394.42
<b>Net Profit after Taxation</b>	<b>1,426.30</b>	<b>1,596.82</b>	<b>2,651.07</b>	<b>2,188.70</b>	<b>934.73</b>	<b>982.20</b>	<b>692.93</b>	<b>869.37</b>
<b>B. Financial Position:</b>								
Tangible Fixed Assets & Intangible Assets (Net)	13,993.98	14,193.30	11,972.89	7,219.21	5,203.73	4,590.28	4,599.22	4,649.64
Non- Current Assets	662.63	754.14	1,052.62	964.06	643.57	716.65	655.86	462.23
Current Assets	28,394.54	32,697.76	25,432.80	21,556.45	14,830.97	15,390.11	15,155.85	16,136.54
Investments	3,657.71	5,721.49	7,552.02	4,097.49	284.29	284.42	251.91	206.19
<b>TOTAL ASSETS</b>	<b>46,708.86</b>	<b>53,366.69</b>	<b>46,010.33</b>	<b>33,837.21</b>	<b>20,962.56</b>	<b>20,981.46</b>	<b>20,662.84</b>	<b>21,454.60</b>
Share Capital	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00
Reserves and Surplus	16,623.23	17,153.87	15,498.94	11,381.18	6,278.69	5,542.55	4,848.52	4,348.63
<b>SHAREHOLDERS' FUND</b>	<b>17,723.23</b>	<b>18,253.87</b>	<b>16,598.94</b>	<b>12,481.18</b>	<b>7,378.69</b>	<b>6,642.55</b>	<b>5,948.52</b>	<b>5,448.63</b>
Non-Current Liabilities	5,084.89	5,377.70	4,835.73	3,053.34	1,224.04	1,338.40	1,239.27	1,249.70
Current Liabilities	23,041.24	28,119.53	22,629.00	17,125.19	12,057.74	12,658.63	13,079.33	14,351.01
Deferred Tax	859.50	1,615.59	1,946.66	1,177.50	302.09	341.88	395.72	405.26
<b>TOTAL CAPITAL EMPLOYED</b>	<b>46,708.86</b>	<b>53,366.69</b>	<b>46,010.33</b>	<b>33,837.21</b>	<b>20,962.56</b>	<b>20,981.46</b>	<b>20,662.84</b>	<b>21,454.60</b>
<b>C. Equity Share Data:</b>								
Earning per share (Rs.)	6.48	7.26	12.05	9.95	4.25	4.46	3.15	3.95
Book value (Rs.)	80.56	82.97	75.45	56.73	33.54	30.19	27.04	24.77
Final/Interim Dividend (%)	10.00	25.00	25.00	25.00	15.00	20.00	15.00	15.00
Number of Shares (in Lakhs)	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00

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

## NOTICE

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting (AGM) of the members of the Company will be held on Thursday, 24<sup>th</sup> September, 2020 at 11.00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt:
  - a. the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020, together with the Reports of the Board of Directors and Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020, together with the Report of the Auditors thereon.
2. To declare a dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2020.
3. To appoint a Director in place of Smt. Kirtidevi Kabra (DIN - 00150796), who retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.

### SPECIAL BUSINESS

4. To re-appoint Shri Hemant Kabra as Executive Director and Chief Financial Officer of the Company and in this regard, to pass the following resolution as an ORDINARY RESOLUTION:

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee of the Board, the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, ("Act"), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Company hereby approves the re-appointment and terms of remuneration of Shri Hemant Kabra (DIN - 01812586), whose current term of appointment is expiring on 11<sup>th</sup> December, 2020, as the Executive Director and Chief Financial Officer (ED & CFO) of the Company for a further period of three years with effect from 12<sup>th</sup> December, 2020 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Shri Hemant Kabra.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

5. To consider and ratify the remuneration payable to M/s. Poddar & Co, Cost Accountants, for the financial year ending 31<sup>st</sup> March, 2021 and in this regard, pass with or without modification(s), the following resolution as an ORDINARY Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the payment of the remuneration of ₹ 4,00,000/- (Rupees Four Lakhs only) with applicable tax plus reimbursement of related business expenses, at actuals, to M/s. Poddar & Co., Cost Accountants (Firm Registration No. 101734), who were appointed by the Board of Directors of the Company, as Cost Auditors, to conduct audit of the cost records maintained by the Company, for the Financial Year ending 31<sup>st</sup> March, 2021, be and is hereby ratified."

By the Order of the Board

Place: Mumbai

Date: 29<sup>th</sup> July, 2020

#### REGISTERED OFFICE:

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

CIN: L31300MH1992PLC067802

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

**Saurabh Gupta**

Company Secretary & Compliance Officer

ACS - 53006

**NOTES:**

1. In view of the ongoing COVID-19 pandemic situation, the Ministry of Corporate Affairs ("MCA") has pursuant to its Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 (the "MCA Circulars") permitted companies to conduct annual general meetings through video conferencing (VC) or other audio visual means (OAVM) and dispensed the requirement of physical attendance of the Members at a common venue to hold the general meeting. In view of the aforementioned MCA Circulars and in a view to follow social distancing norms, the Company is holding this year's AGM through VC/OAVM. The venue for the AGM shall be deemed to be the registered office of the Company.
2. Pursuant to MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) intending to nominate their authorised representative(s) to attend the AGM through VC/OAVM are requested to send a certified true copy of the Board Resolution / Authority letter etc., together with attested specimen signature(s) of the duly authorized representative(s), to attend and vote on their behalf at the AGM, by e-mail to Scrutinizer at [rrwl.scrutinizer@gmail.com](mailto:rrwl.scrutinizer@gmail.com) with a copy marked to [investorrelations@rrglobal.com](mailto:investorrelations@rrglobal.com) and [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 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.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 24<sup>th</sup> September, 2020. Members seeking to inspect such documents can send an email to [investorrelations@rrglobal.com](mailto:investorrelations@rrglobal.com).
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) (hereinafter referred to as "SEBI Listing Regulation"), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. In accordance with the MCA and SEBI Circulars, the Notice calling the AGM along with the Annual Report 2019-20 is being sent through electronic mode to those Members whose email addresses are registered with the Company/Registrar & Transfer Agent (RTA)/Depository participant and the same can also be accessed from the website of the Company at [www.rrshramik.com](http://www.rrshramik.com), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars.
9. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") in respect of item nos. 4 and 5 of the Notice set out above and the details pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed herewith.
10. The Register of Members and Share Transfer Register will remain closed from Saturday, 19<sup>th</sup> September, 2020 to Thursday, 24<sup>th</sup> September, 2020 (both days inclusive).
11. The Dividend for the financial year ended 31<sup>st</sup> March, 2020, as recommended by the Board, if approved at the Annual General Meeting, will be paid subject to tax deduction at source on or from 25<sup>th</sup> September, 2020 to those Members whose name appears in the Register of Members on 18<sup>th</sup> September, 2020 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on 18<sup>th</sup> September, 2020 furnished by NSDL and CDSL in respect of shareholders holding shares in electronic form.

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

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

- ii) Members who are holding shares in dematerialized mode are requested to notify to their Depository Participants (DP) any change in their residential address, Bank A/c details and/ or e-mail address immediately and are hereby informed that bank particulars registered with their respective DP, with whom they maintain their demat accounts, will be used by the Company for payment of dividend.
- iii) Securities and Exchange Board of India (SEBI) & Ministry of Corporate Affairs (MCA) is promoting electronic communication as a contribution to greener environment. Accordingly, the Company sends all communication including the Notice along with Annual Report in electronic form to all Members whose e-mail Id's are registered with the Company/ Depository Participant(s). Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Bigshare Services Private Limited in case the shares are held by them in physical form.
14. All dividends remaining unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account, are required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, till date the Company has transferred to IEPF the unclaimed and unpaid amount pertaining to dividends declared up to the financial year 2011-12. Members who have not yet encashed their dividend warrants for the financial year 2012-13 onwards are requested to make their claims to the Company immediately.

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

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

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

16. Since the AGM will be held through VC/OAVM in accordance with the MCA Circulars, the route map, proxy form and attendance slip are not applicable and hence not attached to this notice.
17. Instructions for e-voting and joining the AGM through VC/OAVM are as under:

#### A) VOTING THROUGH ELECTRONIC MEANS:

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations (including any statutory modification(s) and / or re-enactment(s) for the time being in force), the members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The Instructions for e-voting are as under:

- (i) The remote e-voting period will commence on Monday, 21<sup>st</sup> September, 2020 at 9.00 a.m. and will end on Wednesday, 23<sup>rd</sup> September, 2020 at 5.00 p.m. During this period, members of the Company holding shares either in physical or dematerialized form as on 18<sup>th</sup> September, 2020 i.e. cut off date, may cast their vote electronically. The remote e-voting module will be disabled by NSDL for voting thereafter.
- (ii) Members who have cast their votes by remote e-voting prior to the AGM may also attend the Meeting but they shall not be entitled to cast their vote again and Members who will be present in the AGM through VC/OAVM and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- (iii) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off date i.e. 18<sup>th</sup> September, 2020.
- (iv) The Board of Directors have appointed Mr. Anup Vaibhav C. Khanna (Membership No. F6786) of Khanna & Co., Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

The instructions for e-voting are as under:

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

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 are mentioned below:**

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

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

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

4. Your User ID details are given below:

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



5. Your password details are given below:
  - a) If you are already registered for e-voting then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 are given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

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

**General Guidelines for shareholders**

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

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

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

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL's e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials and selecting the EVEN for Company's AGM. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Facility of joining the AGM in the VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
3. Members are encouraged to join the Meeting through Laptops for better experience. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may send their questions in advance to Company from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [investorrelations@rrglobal.com](mailto:investorrelations@rrglobal.com) between Saturday, 19<sup>th</sup> September 2020 (9.00 a.m.) and Monday 21<sup>st</sup> September, 2020 (5.00 p.m.). The questions received from Shareholders will be suitably replied by the Company.

**Other Instructions**

- The Results of e-voting shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorized in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.rrshramik.com](http://www.rrshramik.com) and on the website of NSDL within three (3) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchange.

By the Order of the Board

Place: Mumbai

Date: 29<sup>th</sup> July, 2020

**REGISTERED OFFICE:**

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

CIN: L31300MH1992PLC067802

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

**Saurabh Gupta**

Company Secretary & Compliance Officer

ACS - 53006

## EXPLANATORY STATEMENT

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

#### ITEM NO. 4

The Board, based on the recommendation of the nomination and remuneration committee, at its meeting held on June 29, 2020 re-appointed Shri Hemant Kabra (DIN 01812586), as the Executive Director and Chief Financial Officer (ED & CFO) of the Company who was appointed as ED & CFO on 12<sup>th</sup> December, 2017 and whose term is expiring on 11<sup>th</sup> December, 2020 for a further period of three years with effect from 12<sup>th</sup> December, 2020 upon the terms and conditions set out below (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment):

- a) Salary: ₹ 4,00,000/- per month w.e.f. 12<sup>th</sup> December, 2020 with an increment not exceeding 20% per annum at the discretion of the Board of Directors of the Company.
- b) Perquisites:
  - (i) Furnished accommodation including gas, electricity and water, medical reimbursement and leave travel concession for self and family, club fees, medical insurance, etc.
  - (ii) Provision for use of company car for official duties and telephone at residence (including payment of local calls and long distance official calls).

The perquisites referred to in para (ii) will not be included in the computation of ceiling on remuneration.

In the event of absence or inadequacy of net profits in any financial year, the remuneration payable to Shri Hemant Kabra shall be governed by Section II of Part II of Schedule V to the Companies Act, 2013 or any statutory modification thereof and the same shall be treated as the Minimum Remuneration payable to Shri Hemant Kabra.

The resolution seeks the approval of members for the re-appointment of Shri Hemant Kabra (DIN 01812586), as the Executive Director and Chief Financial Officer of the Company for a further period of three years with effect from 12<sup>th</sup> December, 2020.

Shri Hemant Kabra, Shri Tribhuvanprasad Kabra, Smt. Kirtidevi Kabra, Shri Mahendrakumar Kabra and their other relatives, to the extent of their shareholding, if any, in the Company are deemed to be concerned or interested in the proposed resolution. None of the other Directors, Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the resolution set forth in Item no. 4 for the approval of members.

#### ITEM No. 5

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Poddar & Co., Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2021.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2021.

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

#### Profile of Directors being appointed / re-appointed.

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

<b>Name</b>	<b>Smt. Kirtidevi Kabra</b>
Age and Date of Birth	58 years, 23/02/1962
Date of Appointment on the Board	29/07/2014
Qualifications & Nature of Expertise	B.Com. from Dharwad University with expertise in Accounts and Economics.
List of outside Directorship held as on 31 <sup>st</sup> March, 2020 (Excluding Private Limited Companies and Foreign Companies)	1. R R Kabel Limited 2. Upper Edge Media Solutions Private Limited 3. Ram Ratna Infrastructure Private Limited 4. KGR Electro-Build Private Limited
List of outside Chairmanship / Membership of Audit, Nomination Remuneration and Stakeholders Relationship Committee as on 31 <sup>st</sup> March, 2020	R R Kabel Limited Member - Corporate Social Responsibility Committee
Number of Shares held in Ram Ratna Wires Limited	9,82,200 Equity Shares
Number of meetings of the Board attended during the financial year 2019-20	Nil
Relationship Between Directors	There exists no pecuniary relationship with any director

<b>Name</b>	<b>Shri Hemant Kabra</b>
Age and Date of Birth	33 years, 07/04/1987
Date of Appointment on the Board	12/12/2017
Qualifications & Nature of Expertise	Masters Degree with wide experience in the field of Copper and Winding Wire
List of outside Directorship held as on 31 <sup>st</sup> March, 2020 (Excluding Private Limited Companies and Foreign Companies)	1. Ram Ratna Electricals Limited 2. Hemlata Home Solutions Limited 3. Bombay Metal Exchange Limited
List of outside Chairmanship / Membership of Audit, Nomination Remuneration and Stakeholders Relationship Committee as on 31 <sup>st</sup> March, 2020	Nil
Number of Shares held in Ram Ratna Wires Limited	1,29,600 Equity Shares
Number of meetings of the Board attended during the financial year 2019-20	4
Relationship Between Directors	Son of Shri Mahendrakumar Kabra

By the Order of the Board

Place: Mumbai  
Date: 29<sup>th</sup> July, 2020

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

## DIRECTORS' REPORT

To,  
The Members,

Your Directors have the pleasure in presenting Company's 28<sup>th</sup> Annual Report on the business and operations of the Company along with the audited financial statements (standalone and consolidated) for the financial year ended 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS

The summarised financial results of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 are presented below:

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations including Other Income	1,25,956.67	1,25,355.09	1,45,013.78	1,42,639.98
<b>Earning before Interest, Taxes, Depreciation and Amortisation Expense</b>	<b>5,641.46</b>	<b>6,411.20</b>	<b>6,366.54</b>	<b>7,094.66</b>
Less: Finance Cost	2,267.08	2,442.25	2,843.00	2,909.77
Less: Depreciation & Amortisation Expense	1,736.34	1,526.34	1,852.23	1,636.32
<b>Profit for the year before share of Profit in Jointly Controlled Entity</b>	<b>1,638.04</b>	<b>2,442.61</b>	<b>1,671.31</b>	<b>2,548.57</b>
Share of (Loss)/Profit of Jointly Controlled Entity	-	-	(2.47)	(82.31)
<b>Profit before Tax</b>	<b>1,638.04</b>	<b>2,442.61</b>	<b>1,668.84</b>	<b>2,466.26</b>
Tax Expense	211.74	845.79	210.50	870.30
<b>Profit for the year</b>	<b>1,426.30</b>	<b>1,596.82</b>	<b>1,458.34</b>	<b>1,595.96</b>
Attributable to:				
- Owners of the Company	1,426.30	1,596.82	1,444.61	1,563.45
- Non-Controlling Interest	-	-	13.73	32.51
<b>Total Comprehensive Income</b>	<b>(199.10)</b>	<b>1,986.46</b>	<b>(131.84)</b>	<b>2,023.61</b>
Attributable to:				
- Owners of the Company	(199.10)	1,986.46	(144.32)	1,990.60
- Non-Controlling Interest	-	-	12.48	33.01

During the financial year 2019-20, revenue from operations including other income on standalone basis is ₹ 1,25,956.67 Lakhs as against ₹ 1,25,355.09 Lakhs in the previous year. Earning before interest, taxes, depreciation and amortization for the current year is ₹ 5,641.46 Lakhs as against ₹ 6,411.20 Lakhs in the previous year. The operations and financial results of the Company are elaborated in the Management Discussion and Analysis Report.

### COVID-19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity causing disturbance and slowdown in the economic activities worldwide and impacted business, by interruption in supply and demand chains, unavailability of personnel, closure of production facilities and offices and also posed unforeseen challenges before business. Further, the Company is committed to its employees and is therefore also considering to continue work from home to some extent even post achieving the normal situation. The Company has started its manufacturing operations from 9<sup>th</sup> April, 2020 partially with limited staff and workers and following all the precautionary measures strictly for safety of employees as per the guidelines issued by Government and local authorities from time to time such as social distancing norms, sanitization, wearing of masks, hand washing, thermal scanning of employees, etc and is increasing its operational capacity as per market demand and orders received from customers.

The Company's focus on liquidity, supported by a strong balance sheet and acceleration in cost optimization initiatives, would help in navigating any near-term challenges in the demand environment. Considering the ongoing discussions with the vendors, and customers, the Company is positive about the future and is confident of restoring to its full operational capacity and smooth operations.



## **DIVIDEND**

For financial year 2019-20, based on Company's profitability, free cash flow and overall financial performance, the Board of Directors of the Company are pleased to recommend for approval of the members a dividend of ₹ 0.50 (previous year ₹ 1.25) per equity share of face value of ₹ 5/- each (i.e. 10 %). The dividend recommended, if approved by the members, will be paid to members within the period stipulated under the Companies Act, 2013. The distribution of Dividend will result in expected payout of ₹ 110 lakhs (Rupees One Crore Ten Lakhs Only).

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

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the dividend after deduction of tax at source.

## **TRANSFER TO RESERVES**

Your Directors do not propose to transfer any amount to the general reserves for the year ended 31<sup>st</sup> March, 2020.

## **CREDIT RATINGS**

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

## **CONSOLIDATED FINANCIAL STATEMENTS**

Pursuant to the applicable provisions of the Companies Act, 2013 read with the rules issued thereunder, the Consolidated Financial Statements of the Company have been prepared in the same form and manner as mandated by Schedule III to the Companies Act, 2013 and are in accordance with relevant Accounting Standards issued by the Institute of Chartered Accountants of India. Consolidated revenue was ₹ 1,45,013.78 Lakhs as against ₹ 1,42,639.98 Lakhs in the previous year. Net Profit after tax for the year stood at ₹ 1,458.34 Lakhs as against ₹ 1,595.96 Lakhs in the previous year.

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

## **SUBSIDIARY AND JOINT VENTURE COMPANY**

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

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

The Company has one material Subsidiary Company, Global Copper Private Limited, based at Gujarat. The Company also has a Joint Venture company, RR Imperial Electricals Limited, in Bangladesh.

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

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

## **DIRECTORS, KEY MANAGERIAL PERSONNEL AND CHAIRMAN**

Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and

Qualification of Directors) Rules, 2014, one-third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every AGM. Consequently, Smt. Kirtidevi Kabra (DIN - 00150796), Director will retire by rotation at the ensuing Annual General Meeting (AGM), and being eligible, offers herself for re-appointment in accordance with provisions of the Companies Act, 2013. The Directors recommend her re-appointment at the AGM.

The Board of Directors on recommendation of the Nomination and Remuneration Committee has approved, subject to the approval of the shareholders at the ensuing AGM, the re-appointment of Shri Hemant Kabra as Executive Director and Chief Financial Officer of the Company for a period of 3 years with effect from 12<sup>th</sup> December, 2020 to 11<sup>th</sup> December, 2023.

During the financial year 2019-20, Shri Prashant Deshpande ceased to be the Director of the Company w.e.f. 12<sup>th</sup> February, 2020 due to retirement. The Board places on record its appreciation for his invaluable guidance, contribution and assistance provided during his tenure as the Director of the Company.

The Company has received necessary declarations from all the Independent Directors confirming that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and also that they have registered themselves with the Independent Director's database maintained by the Indian Institute of Corporate Affairs (IICA) in terms of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014. There has been no change in the circumstances affecting their status as independent directors of the Company.

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

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

Four (4) meetings of the Board of Directors were held during the financial year under review. The details of the meetings of the Board and its Committees held during the year under review are stated in the Corporate Governance Report, which forms part of this report.

#### **AUDIT COMMITTEE**

The Company has in place an Audit Committee in terms of the requirements of the Companies Act, 2013. The details relating to the same are given in the Corporate Governance report forming part of this Report. The Board has accepted all recommendations made by the Audit Committee during the year.

#### **FAMILIARISATION PROGRAMME**

In compliance with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarisation program for Independent Directors to familiarise them with the working of the Company, nature of the industry in which the Company operates, business model of the Company, their roles, rights and responsibilities vis-a-vis the Company, etc. Details of the Familiarisation Programme are put up on the Company's website at [www.rrshramik.com](http://www.rrshramik.com) under Investor tab.

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

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with the Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, based on need and new compliance requirements.

The annual performance evaluation of the Board, its Committees and each Director has been carried out for the financial year 2019-20 in accordance with the framework. The details of evaluation process of the Board, its Committees and of individual Directors, including Independent Directors have been provided under the Corporate Governance Report which forms part of this Report.

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

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

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with

Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations as amended from time to time.

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

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

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

#### **CORPORATE GOVERNANCE**

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

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

#### **LISTING**

The Company's equity shares are listed on BSE Limited (BSE). The Company has paid annual listing fees to the Stock Exchange for the financial year 2020-21. The shares of the Company are actively traded on BSE and have not been suspended from trading.

#### **EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the extract of the annual return as on 31<sup>st</sup> March, 2020 in the prescribed Form MGT-9 is enclosed as Annexure-I to this report. The same is also available on its website at [www.rrshramik.com/corporate-governance/](http://www.rrshramik.com/corporate-governance/).

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

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

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

#### **CORPORATE SOCIAL RESPONSIBILITY**

The Company has constituted Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The initiatives undertaken by the Company on Corporate Social Responsibility (CSR) activities during the year 2019-20 are annexed as Annexure-II of this report as per the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. Details regarding CSR Committee are provided

in Corporate Governance Report, which is a part of this report. The CSR Policy of the Company is available at [www.rrshramik.com/corporate-governance/](http://www.rrshramik.com/corporate-governance/).

## **RISK MANAGEMENT**

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

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

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

## **AUDIT AND AUDITORS REPORT**

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

Pursuant to the provisions of the Act and the Rules made thereunder, M/s. Bhagwagar Dalal & Doshi, Chartered Accountants (Firm Registration Number - 128093W), were appointed as Statutory Auditors of the Company from the conclusion of the 25<sup>th</sup> AGM held on 16<sup>th</sup> September, 2017 till the conclusion of the 30<sup>th</sup> AGM to be held in the year 2022 subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM. M/s. Bhagwagar Dalal & Doshi, Chartered Accountants have submitted a certificate confirming that their appointment is in accordance with Section 139 read with Section 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder as amended from time to time. The Auditors have also confirmed that they have subjected themselves to peer review process of Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of the ICAI.

The Audit Report of M/s. Bhagwagar Dalal & Doshi, Chartered Accountants on the Standalone & Consolidated Financial Statements of the Company for the Financial Year 2019-20 is a part of the Annual Report. The Reports do not contain any qualifications, reservations, adverse remarks or disclaimer.

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

M/s. Khanna & Co., Company Secretaries were appointed as the Secretarial Auditors of the Company for the financial year 2019-20 pursuant to Section 204 of the Companies Act. The Secretarial Audit Report submitted by them in the prescribed Form MR-3 is attached as Annexure-III to this report and it contains observations with respect to delay in issuance of share certificates. The Secretarial Auditors have observed that there were delays in issuance of share certificates subsequent to effecting transfer of shares during the half-year ended 30<sup>th</sup> September 2019. As mentioned in the Secretarial Audit Report, the delays were due to delays in actioning and processing the requests from shareholders by the Registrar and Transfer Agent because of spurt in volumes of transfers and demat requests due to change in the SEBI regulations banning physical transfers. The Company has issued necessary instructions to the Registrar and Transfer to ensure timely compliances. Further, the Company has decided to change its Registrar and Transfer Agent and the change in the Registrar and Transfer Agent will be effected as soon as feasible after the AGM depending upon the COVID-19 pandemic situation.

M/s. Khanna & Co., Company Secretaries have been re-appointed to conduct the secretarial audit and annual secretarial compliance audit for the financial year 2020-21. They have confirmed that they are eligible for the said appointment.

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

M/s. Poddar & Co., Cost Accountants (Firm Registration No.101734) have been appointed to conduct Cost Audit of the Company for the year ending 31<sup>st</sup> March, 2021. Pursuant to the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, members are requested to consider the ratification of the remuneration payable to M/s. Poddar & Co.

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

#### **(4) Internal Auditors**

Pursuant to the provisions of Section 138 of the Act and the Companies (Accounts) Rules, 2014, the Board of Directors of the Company have appointed M/s. DMKH and Co. to conduct internal audit of the Company.

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

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

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

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

#### **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls. Detailed procedures and Standard Operating Procedures are in place to ensure that all the Company's resources are protected against loss and all transactions are authorized, recorded and reported correctly and the Company continuously improves these procedures and controls through automatisations through ERP system. These internal controls are also evaluated and monitored by the Internal and Statutory Auditors of the Company on a periodic basis and their reports are placed before the Audit Committee for its review and corrective actions and suggestions if any required. In the opinion of the Board, the existing internal financial controls framework is adequate and commensurate to the size and nature of the business of the Company.

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

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

During the year, the Company had not entered into any contract or arrangement with related parties which could be considered "material" according to the policy of the Company on materiality of Related Party Transactions. Accordingly, the disclosure required u/s 134(3)(h) of the Act in Form AOC-2 is not applicable to your Company. The details of Related Party transactions as per Indian Accounting Standards (IND AS) 24 may be referred at Note no. 34 of the Standalone Financial Statements, forming a part of this Annual Report.

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

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

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

#### **DEPOSITS**

During the year under review, the Company has not accepted any deposit under Chapter V of the Companies Act, 2013.

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

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

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

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

#### **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 Act read with Rule 8 of The Companies (Accounts) Rules, 2014, is attached as Annexure-V to this report.



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

The Company has zero tolerance for sexual harassment of Women at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment of Women at workplace and has also constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act), 2013 and the Rules made thereunder for prevention and redressal of complaints of sexual harassment at workplace. All women associates (permanent, temporary, contractual and trainees) as well as any women visiting the Company's premises or women service providers are covered under the said Policy. The meetings of Sexual Harassment Committee are being conducted regularly to review any complaints of women employees.

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

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

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

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

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

### **INDUSTRIAL RELATIONS**

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

### **ACKNOWLEDGEMENT**

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

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

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 29<sup>th</sup> July, 2020

**Tribhuvanprasad Kabra**  
Chairman  
DIN - 00091375

**"Annexure I" to the Directors' Report**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31.03.2020**

(Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014)

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L31300MH1992PLC067802
ii	Registration Date	21 <sup>st</sup> July, 1992
iii	Name of the Company	Ram Ratna Wires Limited
iv	Category/Sub-category of the Company	Public Company/Limited by shares
v	Address of the Registered office & contact details	Ram Ratna House, Oasis Complex, P. B. Marg, Worli, Mumbai - 400 013. Tel : 91-22-24924144/24949009
vi	Whether listed company	Yes at BSE Limited
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Private Limited, 1 <sup>st</sup> Floor Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai - 400 059. Tel: 91-22-62638200/62638212, Fax: 91-22-62638299 website: www.bigshareonline.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company:

Sr. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacture of other electronic and electric wires and cables (insulated wire and cable made of copper & aluminium)	27320	100%

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

Sr. No.	Name & Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	<b>Global Copper Private Limited</b> Survey No. 65-66, Village Garadiya, Jarod- Samalaya Road, Taluka- Savli, Dist. Vadodara, Gujarat-391520	U27201GJ2010PTC061756	Subsidiary	60%	2(87)
2	<b>RR-Imperial Electricals Limited</b> Plot No.50, Block no.C, Fisons Rd., Cheragali, Tongi, Gazipur, Bangladesh- 1710	Foreign Company	Joint Venture	10%	2(6)

**IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

**i) CATEGORY-WISE SHARE HOLDING**

Category of Shareholders	No. of Shares held at the beginning of the year (1 <sup>st</sup> April 2019)				No. of Shares held at the end of the year (31 <sup>st</sup> March 2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	85,71,800	-	85,71,800	38.96	85,71,800	-	85,71,800	38.96	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	60,87,554	-	60,87,554	27.67	60,87,554	-	60,87,554	27.67	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL: (A)(1)</b>	<b>1,46,59,354</b>	<b>-</b>	<b>1,46,59,354</b>	<b>66.63</b>	<b>1,46,59,354</b>	<b>-</b>	<b>1,46,59,354</b>	<b>66.63</b>	<b>-</b>

Category of Shareholders	No. of Shares held at the beginning of the year (1 <sup>st</sup> April 2019)				No. of Shares held at the end of the year (31 <sup>st</sup> March 2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	14,00,000	-	14,00,000	6.36	14,00,000	-	14,00,000	6.36	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>14,00,000</b>	<b>-</b>	<b>14,00,000</b>	<b>6.36</b>	<b>14,00,000</b>	<b>-</b>	<b>14,00,000</b>	<b>6.36</b>	<b>-</b>
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>1,60,59,354</b>	<b>-</b>	<b>1,60,59,354</b>	<b>73.00</b>	<b>1,60,59,354</b>	<b>-</b>	<b>1,60,59,354</b>	<b>73.00</b>	<b>-</b>
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Central/State Government(s)	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) FI's	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
j) Foreign Portfolio investor	-	-	-	-	-	-	-	-	-
k) Alternate Investment Fund	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL: (B)(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(2) Non Institutions</b>									
<b>a) Bodies corporates</b>									
i) Indian	2,51,864	38,202	2,90,066	1.32	81,908	29,802	1,11,710	0.51	(0.81)
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	24,96,922	6,89,100	31,86,022	14.48	23,50,956	4,87,100	28,38,056	12.90	(1.58)
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	23,60,141	40,000	24,00,141	10.91	22,24,846	40,000	22,64,846	10.29	(0.61)
<b>c) Others (specify)</b>									
i) Clearing Member	15,900	-	15,900	0.07	66,622	-	66,622	0.30	0.23
ii) Non Resident Indian	48,517	-	48,517	0.22	46,199	-	46,199	0.21	(0.01)
iii) Hindu Undivided Family (HUF)*	-	-	-	-	4,50,140	-	4,50,140	2.05	2.05
iv) IEPF A/c	-	-	-	-	1,63,073	-	1,63,073	0.74	0.74
<b>SUB TOTAL: (B)(2)</b>	<b>51,73,344</b>	<b>7,67,302</b>	<b>59,40,646</b>	<b>27.00</b>	<b>53,83,744</b>	<b>5,56,902</b>	<b>59,40,646</b>	<b>27.00</b>	<b>(0.00)</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>51,73,344</b>	<b>7,67,302</b>	<b>59,40,646</b>	<b>27.00</b>	<b>53,83,744</b>	<b>5,56,902</b>	<b>59,40,646</b>	<b>27.00</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2,12,32,698</b>	<b>7,67,302</b>	<b>2,20,00,000</b>	<b>100.00</b>	<b>2,14,43,098</b>	<b>5,56,902</b>	<b>2,20,00,000</b>	<b>100.00</b>	<b>-</b>

\*In year 2018-19 the HUF holdings have been combined in the individuals category and in 2019-20 this has been shown separately as per the Shareholding patterns filed with BSE Limited

**(ii) SHARE HOLDING OF PROMOTERS (Including Promoter Group)**

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (1 <sup>st</sup> April 2019)			Shareholding at the end of the year (31 <sup>st</sup> March 2020)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Mahendrakumar Kabra	18,67,966	8.49	-	18,67,966	8.49	-	-
2	Rameshwarlal Kabra HUF	12,41,000	5.64	-	12,41,000	5.64	-	-
3	Umadevi Tribhuvanprasad Kabra	10,95,000	4.98	-	10,95,000	4.98	-	-
4	Kirti Shreegopal Kabra	9,82,200	4.46	-	9,82,200	4.46	-	-
5	Shreegopal Rameshwarlal Kabra	7,03,268	3.20	-	7,03,268	3.20	-	-
6	Mahhesh Kabra	6,02,800	2.74	-	6,02,800	2.74	-	-
7	Rajesh Kabra	5,31,000	2.41	-	5,31,000	2.41	-	-
8	Tribhuvanprasad Rameshwarlal Kabra	4,35,466	1.98	-	4,35,466	1.98	-	-
9	Vvidhi Kabra	3,05,000	1.39	-	3,05,000	1.39	-	-
10	Sumeet Kabra	3,70,700	1.69	-	3,70,700	1.69	-	-
11	Rameshwarlal Kabra	1,05,200	0.48	-	1,05,200	0.48	-	-
12	Asha Muchhal	96,800	0.44	-	96,800	0.44	-	-
13	Ratnidevi Kabra	65,800	0.30	-	65,800	0.30	-	-
14	Priti Saboo	40,000	0.18	-	40,000	0.18	-	-
15	Hemant Kabra	1,29,600	0.59	-	1,29,600	0.59	-	-
16	Ram Ratna Research & Holdings Pvt Ltd.	34,00,000	15.46	-	34,00,000	15.46	-	-
17	Jag-Bid Finvest Pvt. Ltd.	7,37,686	3.35	-	7,37,686	3.35	-	-
18	Ram Ratna Electricals Ltd.	5,00,000	2.27	-	5,00,000	2.27	-	-
19	MEW Electricals Ltd.	4,00,000	1.82	-	4,00,000	1.82	-	-
20	R R Kabel Ltd.	9,10,768	4.14	-	9,10,768	4.14	-	-
21	Ram Ratna Infrastructure Pvt. Ltd.	99,100	0.45	-	99,100	0.45	-	-
22	Kabel Buildcon Solutions Pvt. Ltd.	40,000	0.18	-	40,000	0.18	-	-
23	TMG Global FZCO	14,00,000	6.36	-	14,00,000	6.36	-	-
	<b>Total</b>	<b>1,60,59,354</b>	<b>73.00</b>	<b>-</b>	<b>1,60,59,354</b>	<b>73.00</b>	<b>-</b>	<b>-</b>

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE):**

There is no change in shareholding of Promoters of the Company.

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sr. No.	Shareholder's Name	Shareholding				Date*	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.19 to 31.03.2020)	
		No. of Shares at the beginning (01.04.2019)	% of total Shares of the Company	No. of Shares at the end of the year (31.03.2020)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Lata Shyam Parwane	6,38,635	2.90	6,38,635	2.90	-	No change	-	6,38,635	2.90
2	IEPF	-	-	1,63,073	0.74	5-Apr-2019	1,29,244	Buy	1,29,244	0.59
						21-Jun-2019	13,150	Buy	1,42,394	0.65

Sr. No.	Shareholder's Name	Shareholding				Date*	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.19 to 31.03.2020)	
		No. of Shares at the beginning (01.04.2019)	% of total Shares of the Company	No. of Shares at the end of the year (31.03.2020)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
						5-Jul-2019	200	Buy	1,42,594	0.65
						25-Oct-2019	18,400	Buy	1,60,994	0.73
						1-Nov-2019	2,079	Buy	1,63,073	0.74
3	Amit Saboo	1,36,000	0.62	1,36,000	0.62	-	No change	-	1,36,000	0.62
4	Kishori Dinesh Modani	1,19,998	0.55	1,19,998	0.55	-	No change	-	1,19,998	0.55
5	Neeraj Rajendra Gupta HUF	1,00,000	0.45	1,06,000	0.48	8-Nov-2019	6,000	Buy	1,06,000	0.48
6	Madhu Gupta	1,00,000	0.45	1,00,000	0.45	-	No change	-	1,00,000	0.45
7	Darshan M Dharu	24,070	0.11	90,070	0.41	23-Aug-2019	66,000	Buy	90,070	0.41
8	Kiran Bajaj	84,370	0.38	84,370	0.38	-	No change	-	84,370	0.38
9	Yogesh S Garodia	82,888	0.38	82,888	0.38	-	No change	-	82,888	0.38
10	Vineeta Yogesh Garodia	60,135	0.27	77,588	0.35	3-May-2019	1,000	Buy	61,135	0.28
						10-May-2019	1,960	Buy	63,095	0.29
						17-May-2019	1,035	Buy	64,130	0.29
						24-May-2019	1,005	Buy	65,135	0.30
						31-May-2019	994	Buy	66,129	0.30
						7-Jun-2019	6	Buy	66,135	0.30
						14-Jun-2019	994	Buy	67,129	0.31
						26-Jul-2019	932	Buy	68,061	0.31
						9-Aug-2019	1,000	Buy	69,061	0.31
						16-Aug-2019	600	Buy	69,661	0.32
						20-Dec-2019	1,000	Buy	70,661	0.32
						3-Jan-2020	1,627	Buy	72,288	0.33
						10-Jan-2020	1,000	Buy	73,288	0.33
						24-Jan-2020	1,500	Buy	74,788	0.34
						20-Mar-2020	1,000	Buy	75,788	0.34
						27-Mar-2020	1,800	Buy	77,588	0.35

\* Date of transfer has been considered as the date on which the beneficiary position was provided by the depositories to the Company.



**(v) Shareholding of Directors & KMP**

Sr. No.	Name	Shareholding				Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.19 to 31.03.2020)	
		No. of Shares at the beginning (01.04.2019)	% of total Shares of the Company	No. of Shares at the end of the year (31.03.2020)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Tribhuvanprasad Kabra	4,35,466	1.98	4,35,466	1.98	-	No change	-	4,35,466	1.98
2	Mahendrakumar Kabra	18,67,966	8.49	18,67,966	8.49	-	No change	-	18,67,966	8.49
3	Kirtidevi Kabra	9,82,200	4.46	9,82,200	4.46	-	No change	-	9,82,200	4.46
4	Hemant Kabra	1,29,600	0.59	1,29,600	0.59	-	No change	-	1,29,600	0.59

**V INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**
**(₹ in Lakhs)**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	20,561.40	6,239.24	-	26,800.64
ii) Interest due but not paid	91.15	44.06	-	135.21
iii) Interest accrued but not due	3.72	0.18	-	3.90
<b>Total (i+ii+iii)</b>	<b>20,656.27</b>	<b>6,283.48</b>	<b>-</b>	<b>26,939.75</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	-	202.67	-	-
Reduction	3,058.07	-	-	2,855.40
<b>Net Change</b>	<b>(3,058.07)</b>	<b>202.67</b>	<b>-</b>	<b>(2,855.40)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	17,505.83	6,434.99	-	23,940.82
ii) Interest due but not paid	92.37	51.16	-	143.53
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>17,598.20</b>	<b>6,486.15</b>	<b>-</b>	<b>24,084.35</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole Time Director and/or Manager:**
**(₹ in Lakhs)**

Sr. No	Particulars of Remuneration	Name of the Managing Director	
		Shri Mahendrakumar Kabra	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	87.09	
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	
2	Stock option	-	
3	Sweat Equity	-	
4	Commission	12.82	
	as % of profit	0.78	
	others (specify)	-	

Sr. No	Particulars of Remuneration	Name of the Managing Director
		Shri Mahendrakumar Kabra
5	Others, please specify	-
	<b>Total (A)</b>	<b>99.91</b>
	<b>Ceiling as per the Act</b>	<b>99.91</b>

Note :- Remuneration details of Shri Hemant Kabra, Executive Director & CFO of the Company, has been provided under the para C below under the head Remuneration to Key Managerial personnel other than MD / Manager / WTD

**B. Remuneration to other Directors:**

(₹ in Lakhs)

	Name Of Director	Fee for attending Board Committee Meetings	Commission	Other	Total Amount
<b>1</b>	<b>Independent Directors</b>				
i)	Shri Sandeep Jhanwar	3.15	-	-	3.15
ii)	Shri R. Kannan	2.30	-	-	2.30
iii)	Shri Prashant Deshpande	1.05	-	-	1.05
iv)	Shri HS Upendra Kamath	0.60	-	-	0.60
v)	Shri Ramesh Chandak	3.15	-	-	3.15
vi)	Dr. Ajai Singh	1.65	-	-	1.65
	<b>Total (1)</b>	<b>11.90</b>	<b>-</b>	<b>-</b>	<b>11.90</b>
<b>2</b>	<b>Other Non Executive Directors</b>				
i)	Shri Tribhuvanprasad Kabra	0.70	-	-	0.70
ii)	Smt. Kirtidevi Kabra	-	-	-	-
	<b>Total (2)</b>	<b>0.70</b>	<b>-</b>	<b>-</b>	<b>0.70</b>
	<b>Total (B)=(1+2)</b>	<b>12.60</b>	<b>-</b>	<b>-</b>	<b>12.60</b>
	<b>Total Managerial Remuneration</b>				<b>112.51</b>
	<b>Overall Ceiling as per the Act</b>				<b>219.81</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Shri Hemant Kabra ED & CFO	Company Secretary	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	47.00	12.68	59.68
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	0.04	0.04
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>47.00</b>	<b>12.72</b>	<b>59.72</b>

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES (during the year ended 31<sup>st</sup> March 2020)**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None
<b>B. DIRECTORS</b>					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None

For and on behalf of the Board of Directors  
For **RAM RATNA WIRES LIMITED**

Place: Mumbai  
Date: 29<sup>th</sup> July, 2020

**Tribhuvanprasad Kabra**  
Chairman  
DIN - 00091375

## “Annexure II” to the Directors’ Report

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

**1. Brief Outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

Company's CSR initiatives and its vision aims towards improvement of quality of life for all communities through integrated and sustainable development in every possible way. Company's projects or programs focus on promoting education, women empowerment, promoting sports, eradicating hunger, poverty and malnutrition etc. We strive to undertake suitable activity as specified in Schedule VII to the Companies Act, 2013 and Rules made there under that will benefit the local areas around the Company where it operates.

The details of CSR initiatives and the CSR Policy are available on the website of the Company at [www.rrshramik.com/corporate-governance/](http://www.rrshramik.com/corporate-governance/).

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

1. Shri Sandeep Jhanwar, Chairman
2. Shri Mahendrakumar Kabra, Member
3. Shri Hemant Kabra, Member

Shri Saurabh Gupta acts as the Secretary to the Committee.

**3. Average Net profit of the Company for the last three financial years for the computation of CSR:**

₹ 3,348.67 lakhs

**4. Prescribed CSR Expenditure (2% of the amount as in Sr. No. 3 above):**

₹ 66.97 lakhs

**5. Details of CSR spent during the financial year:**

(a) Total amount spent for the financial year:

₹ 67.01 lakhs including ₹ 0.47 Lakhs unspent of financial year 2018-19.

(b) Amount unspent, if any:

₹ 0.43 Lakhs

(c) Manner in which the amount spent during the financial year is detailed below:

(₹ in Lakhs)

CSR projects/ activities	Sector in which the Project is covered	Location where project is undertaken State (Local Area/ District)	Amount outlay (budget) Project / Program wise	Amount Spent on the Projects or Programs		Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
				1. Direct Expenditure	2. Overheads		
Training and educating Children including teachers	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	At various places in India	60.00	60.00	NA	60.00	Through Implementing agency.
Lakshya Cup 2019	Training to promote rural sports, nationally recognised sports, and olympic sports	Karnala Sports Academy, Mumbai	3.50	3.50	NA	3.50	Through Implementing agency.
Construction of Hostels for Underprivileged/ Orphan Children	Setting up homes and hostels for women and orphans	Rajasthan	3.00	3.00	NA	3.00	Through Implementing agency.

(₹ in Lakhs)

CSR projects/ activities	Sector in which the Project is covered	Location where project is undertaken State (Local Area/ District)	Amount outlay (budget) Project / Program wise	Amount Spent on the Projects or Programs		Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
				1. Direct Expenditure	2. Overheads		
Chess Championship	Training to promote rural sports, nationally recogni- sed sports, and olympic sports	Training for Chess Championship to be held at France, Switzerland, Abu Dhabi	0.51	0.51	NA	0.51	Direct

6. **In case the Company fails to spend the 2% of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount shall be stated in the Board Report.**  
The Company has spent ₹ 67.01 lakhs towards CSR and a small amount of ₹ 0.43 lakhs remain unspent. As the unspent amount is very small for a project to be undertaken, the Company will be spending this amount during the current financial year 2020-21 along with total amount required to be spent for the financial year 2020-21.
7. **The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.**

**Mahendrakumar Kabra**  
Managing Director  
DIN - 00473310

Place: Mumbai  
Date: 29<sup>th</sup> July, 2020

**Sandeep Jhanwar**  
Chairman  
CSR Committee  
DIN - 00124901

**“Annexure III” to the Directors’ Report**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2020 (the "Audit Year") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2020 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; and
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (the "SEBI Act"):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - (d) SEBI (Depositories and Participants) Regulations, 2018.

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

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

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

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



have the following observations in relation to certain compliances relating to issuance of share certificates during the financial year ended 31<sup>st</sup> March 2020:

- a) We note that there were delays in issuance of share certificates subsequent to effecting transfer of shares during the half year ended 30<sup>th</sup> September 2019. We have been informed that the delays were due to delays in actioning and processing the requests from shareholders by the Registrar and Transfer Agent because of spurt in volumes of transfers and demat requests due to change in the SEBI regulations banning physical transfers.

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

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

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

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

**We further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

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

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

Place: Mumbai  
Dated: 29<sup>th</sup> July 2020

**Anup Vaibhav C. Khanna**  
Partner  
FCS No.: 6786  
COP No.: 12906  
UDIN: F006786B000550384  
Peer Review: 638/2019

## Annexure to Secretarial Audit Report

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

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

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

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

Place: Mumbai  
Dated: 29<sup>th</sup> July 2020

**Anup Vaibhav C. Khanna**  
Partner  
FCS No.: 6786  
COP No.: 12906  
UDIN: F006786B000550384  
Peer Review: 638/2019

## “Annexure IV” to the Director’s Report

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

**A. Ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2019-20 is as follows:**

(₹ in Lakhs)

Name of Director(s)	Remuneration Per Annum	Ratio of remuneration of Director to the Median Remuneration
Shri Tribhuvanprasad Kabra	0.70	0.32
Shri Mahendrakumar Kabra	99.91	45.63
Smt. Kirtidevi Kabra	-	-
Dr. Ajai Singh	1.65	0.75
Shri Sandeep Jhanwar	3.15	1.44
Shri R Kannan	2.30	1.05
Shri Prashant Deshpande	1.05	0.48
Shri Hemant Kabra	47.00	21.46
Shri Upendra Kamath	0.60	0.27
Shri Ramesh Chandak	3.15	1.44

**Notes:**

- The aforesaid details are calculated on the basis of remuneration for the financial year 2019-20.
- Median remuneration of the Company for all its employees is ₹ 2.19 Lakhs for the financial year 2019-20.
- The remuneration of Directors includes sitting fees paid to them for the financial year 2019-20.

**B. Details of percentage increase in the remuneration of each Director, CFO & Company Secretary in the financial year 2019-20 are as follows:**

(₹ in Lakhs)

Name	Designation	Remuneration		Increase (%)
		2019-20	2018-19	
Shri Tribhuvanprasad Kabra\$	Chairman	0.70	-	*
Shri Mahendrakumar Kabra\$	Managing Director	99.91	131.27	(24)
Smt. Kirtidevi Kabra	Director	-	1.10	*
Dr. Ajai Singh	Director	1.65	1.50	*
Shri Sandeep Jhanwar	Director	3.15	3.50	*
Shri R Kannan	Director	2.30	2.80	*
Shri Prashant Deshpande#	Director	1.05	1.70	*
Shri Hemant Kabra	Director & Chief Financial Officer	47.00	42.00	12
Shri Upendra Kamath	Director	0.60	1.70	*
Shri Ramesh Chandak	Director	3.15	1.10	*
Shri Saurabh Gupta	Company Secretary	12.72	3.10	**

\* Percentage increase in Remuneration not given as only sitting fees is paid to them as per their attendance in Board and Committee meetings.

\*\* Since the remuneration for the year 2018-19 is only for part of the year, the ratio of percentage increase not reported as not comparable.

\$ Shri Tribhuvanprasad Kabra was appointed as Chairman w.e.f. 1<sup>st</sup> June, 2019 and Shri Mahendrakumar Kabra was appointed as Managing Director w.e.f. 30<sup>th</sup> May, 2019.

# Shri Prashant Deshpande resigned as Independent Director of the Company w.e.f. 12<sup>th</sup> February, 2020 due to retirement on attaining the age of seventy five years.

**C. Percentage increase in the median remuneration of all employees in the financial year 2019-20:**

(₹ in Lakhs)

Particulars	2019-20	2018-19	Increase (%)
Median Remuneration of all employees per annum	2.19	2.24	(2.14)

\* Median Remuneration has come down slightly as during the year 2018-19 many new workers were recruited but were not permanent, hence not considered in median working in year 2018-19, but the same is considered during the year 2019-20 and due to increase in workers median remuneration is coming low.

**D. Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2020 : 961 Employees**

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

(₹ in Lakhs)

Particulars	2019-20	2018-19	Increase (%)
Average Salary of all employees (other than key managerial personnel)	2.96	2.96	-
Key Managerial Personnel			
- Salary of MD/JMD	99.91	131.27	(24)
- Salary of CFO	47.00	42.00	12
- Salary of CS	12.72	3.10	As per clause B above

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

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

**G. There are no employees of the Company who receive remuneration in excess of the highest paid Director of the Company.**

**H. Affirmation:**

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

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

## “Annexure V” to the Directors’ Report

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

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

#### A) ENERGY CONSERVATIONS MEASURES TAKEN

Climate change is the greatest concern of our times. Excessive emission of Green House Gases (GHGs) to the atmosphere, especially, during thermal generation of electricity is one of the major causes for global warming, resulting into extreme weather conditions, the consequences of which are disastrous for all living things on earth.

As per reports, there has been an increase of 31.2% higher emission of GHGs in 2016 compared to that of 1990 level, raising the temperature level. The year 2018 was the fourth warmest year recorded globally. Under the Paris agreement adopted in 2015, the member nations have agreed to limit the global warming to well below 2 degree C and pursue efforts to limit to 1.5 degree C (Source: IEEMA journal, March, 2020)

Your Company has already been in the forefront in this regard, for over a decade and some of the measures taken are as below:

##### 1. Conserving electrical energy

Some of the measures taken for conservation of electrical energy include, continues technological up gradation of processing methods, monitoring energy consumption daily, machine wise consumption analysis, energy accounting and auditing, corrective and preventive action, in case of deviation from target level to achieve higher level of energy efficiency.

Tapping the wind energy for ventilation inside the plant by installing M S roof ventilator fans and harnessing sunlight for plant lighting by suitable rooftop acrylic sheets have been adopted as a standard practice in roof design of structures for your company. Change in Plant lay out to protect environment, LED bulbs for lighting, energy efficient motors and equipments for process, extraction of heat energy, from waste heat for processing, etc are some of the measures undertaken to conserve electrical energy.

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

Renewable energy (RE) for captive consumption is another solution for limiting global warming. Your company has already installed 50 KW solar roof top panel and equipments and solar panel already procured for another 400 KW, before the outbreak of COVID - 19 in India.

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

Water is equally precious, especially for a Nation like ours. By saving water, we also save energy. RRWL plants have installed effluent treatment plants and Sewage treatment plants. The treated water has been used for gardening purposes etc.

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

#### B) TECHNOLOGY ABSORPTION

Company has not imported any technology. In line with company's philosophy, your company continues to develop technology, in house, through a strong R & D team, while striving for continual improvements in quality, processing methods, introduction of automation, protecting environment, developing new products and more importantly, saving in energy in the path towards EXCELLENCE which has no limit.

#### C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
Earnings in foreign currency	5,343.25	6,021.20
Expenditure in foreign currency	29,666.79	37,969.93

For and on behalf of the Board

Place: Mumbai  
Date: 29<sup>th</sup> July, 2020

**Tribhuvanprasad Kabra**  
Chairman  
DIN - 00091375

## REPORT ON CORPORATE GOVERNANCE

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

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is an integral part of the way the Company has been doing business as it ensures fairness, transparency, integrity of the management, accountability and commitment to values and helps in maintaining long term value creation with its stakeholders. It essentially involves balancing the interests of various stakeholders, such as Shareholders, Management, Customers, Suppliers, Bankers, Government and the Community. Ram Ratna is always committed to the highest standards of Corporate Governance and has adopted the best practices complying with all the legal requirements and ensuring the ethical corporate behavior along with transparency in transactions and fairness to all the Stakeholders. We believe that good corporate governance is integral to the business.

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

#### 1) Board of Directors:

##### 1.1 Composition of the Board:

As on 31<sup>st</sup> March, 2020, the Board comprised of 9 (nine) members, 5 (five) of which are Non-Executive Independent Directors constituting more than 50% of the Board strength, 2 (two) are Non-Executive Non-Independent / Promoter Directors including one Woman Director and 2 (two) Executive Non-Independent / Promoter Directors. The Chairman of the Board is a Non-Executive Non-Independent / Promoter Director.

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 read with the Rules issued thereunder.

Based on the intimations/disclosures received from the Directors, none of the Directors of the Company hold memberships / Chairmanships more than the prescribed limits. Necessary disclosures regarding Committee positions in other Public Companies as on 31<sup>st</sup> March, 2020 have been made by the Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act and also that they have registered themselves with the Independent Director's database maintained by the Indian Institute of Corporate Affairs (IICA) in terms of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfill the conditions of independence specified in the Listing Regulations and the Companies Act, 2013 and are independent of the Management of the Company.

The composition and other details of Board of Directors of the Company as on 31<sup>st</sup> March, 2020 is as under:

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



Name of the Directors	Relationship of Directors with each other	Nature of Directorship	Shareholding in the Company (No. of Shares)
Dr. Ajai Singh	-	Non-Executive, Independent Director	Nil
Shri H. S. Upendra Kamath	-	Non-Executive, Independent Director	Nil
Shri Ramesh Chandak	-	Non-Executive, Independent Director	Nil

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

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

The Board meets at least once in a quarter to, inter alia, review quarterly standalone and consolidated financial statements, compliance report(s) in relation to various laws applicable to the Company, major legal issues or regulatory development, minutes of the Board Meetings of subsidiary company, significant transactions and arrangements entered into by the unlisted subsidiary company, presentations on Environment Health & Safety (EHS) initiatives, significant measures and developments adopted in manufacturing processes at Factories by Functional Head, risk management, foreign currency exposure, details of joint ventures or collaborations, short term borrowings, any other proposal from the management regarding mergers, acquisitions and strategic restructuring of investments, etc.

The Company Secretary attends all the meetings of the Board and its Committees and is, inter alia, responsible for recording the minutes of such meetings. The draft minutes of the Board and its Committees are sent to the Directors/Committee members for their comments in accordance with the Secretarial Standards and then, the minutes are entered in the minutes book within 30 (thirty) days of the conclusion of the respective meetings, subsequent to incorporation of the comments, if any, received from the Directors.

The Company adheres to the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors and its Committees and the General Meetings of the Shareholders of the Company.

## 1.3 Familiarisation Programme

Pursuant to Regulations 25(7) and 46 of the Listing Regulations, the Company conducts Familiarisation Programme for the Independent Directors to enable them to be familiarised with the Company, its management and its operations to gain a clear understanding of their roles, rights and responsibilities for enabling their contribution to the Company. In the Board Meetings presentations are done by the Functional Head, Managing Director & Chief Financial Officer to update them about the business of the Company and to update them about the environment in which the Company is operating. They are provided a platform to interact with multiple levels of management and are provided with all the documents required and/or sought by them to have a good understanding of Company's profile, its operations, business model and the industry of which it is a part.

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

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

As stipulated by Section 149(8) read with Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held during the year on 21<sup>st</sup> March, 2020, without the attendance of non-independent directors and members of the management, to review the performance of the (i) Chairman, Non-independent Directors and the Board as a whole, (ii) Chairman of the Company taking into account views of Executive/Non-Executive Directors. The Independent Directors also assessed the quality, quantity and timeliness of the flow of information between the Company, the Management to the Board and its Committees which is necessary to perform reasonably and discharge their duties.

#### **1.5 Succession Planning**

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

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

In terms of applicable provisions of the Companies Act, 2013 read with Rules framed thereunder and Regulation 17(10) of the Listing Regulations and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has put in place a process to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director including Independent Directors to be carried out on an annual basis. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, based on need and new compliance requirements. Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2019-20 by way of oral evaluation through personal interaction with each Director and by way of surveys.

The evaluation of the entire Board is based on criteria such as Structure of the Board, Meetings of the Board, quality of discussions at the meeting, evaluation of the Governance and Compliance systems, Succession planning etc.

The evaluation of the performance of the Directors were based on various aspects which, inter alia, included qualifications and experience, effectiveness of the contributions made during the meetings, attendance of the Director(s), relationship with Board, understanding of the role and responsibilities, understanding of the business and competitive environment for your Company etc.

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

The performance of the Committees of the Board included aspects like understanding of the terms of reference by the Committee members, adequacy of the composition of the Committees, effectiveness of the discussions at the Committee meetings, information provided to the Committee to discharge its duties, performance of the Committee vis-à-vis its responsibilities, etc. The Independent Directors also evaluated the performance of Chairman of the Board and Non Independent Directors at the meeting of Independent Directors held on 21<sup>st</sup> March, 2020.

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

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

During the financial year ended 31<sup>st</sup> March, 2020, four (4) meetings of the Board of Directors were held on 30<sup>th</sup> May, 2019, 9<sup>th</sup> August, 2019, 12<sup>th</sup> November, 2019 and 12<sup>th</sup> February, 2020.

Attendance of Directors at Board meetings held during the financial year 2019-20, last Annual General Meeting and number of other Directorships and Chairmanships / Memberships of Committees held by each Director in various Companies are as under:

Names of the Directors	No. of Board Meetings during the year- Four	Attended AGM held on 11 <sup>th</sup> Sept, 2019	Number of other		
	Attended		Director-ships*	Committee Memberships**	Committee Chairmanships**
Shri Tribhuvanprasad Kabra	2	Yes	2	-	-
Shri Mahendrakumar Kabra	4	Yes	2	-	-
Smt. Kirtidevi Kabra	-	No	1	-	-
Shri Hemant Kabra	4	Yes	3	-	-
Dr. Ajai Singh	4	Yes	-	-	-
Shri Sandeep Jhanwar	4	Yes	-	-	-
Shri R. Kannan	3	Yes	6	3	1
Shri Prashant Deshpande***	3	Yes	1	-	-
Shri H.S. Upendra Kamath	1	Yes	2	2	1
Shri Ramesh Chandak	4	Yes	5	6	4

**Notes:**

\* Excludes directorship in Ram Ratna Wires Limited. Also excludes directorship in Private Companies, Foreign Companies, Companies incorporated under Section 8 of the Companies Act, 2013 and alternate directorships.

\*\* For the purpose of considering the limit of Committee Memberships and Chairmanships of a Director, Audit Committee and Stakeholders Relationship Committee of Public Companies have been considered. Also excludes the Memberships & Chairmanships in Ram Ratna Wires Limited.

\*\*\* Shri Prashant Deshpande resigned as director w.e.f. 12<sup>th</sup> February, 2020 due to retirement as stated in the resignation letter received by the Company.

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

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

**Details of Directorships in Listed Entities and Category of Directorship**

The details of Directorships in Listed Entities other than Directorship in Ram Ratna Wires Limited and Category of Directorship is as below:

**1. Shri R. Kannan**

S.No.	Name of Listed Company	Category of Directorship
1.	Orient Press Limited	Independent Director

**2. Shri H.S. Upendra Kamath**

S.No.	Name of Listed Company	Category of Directorship
1.	Lakshmi Vilas Bank Limited	Independent Director

**3. Shri Ramesh Chandak**

S.No.	Name of Listed Company	Category of Directorship
1.	Parag Milk Foods Limited	Independent Director
2.	KEC International Limited	Independent Director
3.	Summit Securities Limited	Independent Director
4.	Prince Pipes and Fittings Limited	Independent Director

**1.8 Key Board qualifications, expertise and attributes**

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

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

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

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

All non-executive Directors, including Independent Directors, are paid only sitting fees for attending the Board and Committee meetings. The sitting fees paid to non-executive Directors is fixed by the Board of Directors and is within the limits prescribed under the Companies Act, 2013 and Rules made there under.

### 1.10 Compliance

The Company Secretary is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 2013 read with the Rules issued there under, Listing Agreement and other applicable laws, if any.

## 2. Committees of the Board:

The Board has constituted various Committees with an optimum representation of its members and with specific terms of reference in accordance with the Companies Act, 2013 and the Listing Regulations. The Company currently has 4 (four) Committees of the Board, namely, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

### I. Audit Committee:

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

The Audit Committee is, inter alia, entrusted with the responsibility to monitor the financial reporting, audit process, determine the adequacy of internal controls, evaluate and approve transactions with related parties, disclosure of financial information and recommendation of the appointment of Statutory Auditors. The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management. The Committee invites the Managing Director, CFO, Company Secretary, Statutory Auditor and Internal Auditor to attend the meetings of the Committee.

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

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

The Audit Committee is empowered, pursuant to its terms of reference and its role, inter alia, includes the following:

- i. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

- ii. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity.
- iii. approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the 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;
- v. reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- vi. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- vii. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- viii. approval or any subsequent modification of transactions of the Company with related parties.
- ix. Scrutiny of inter-corporate loans and investments.
- x. valuation of undertakings or assets of the listed entity, wherever it is necessary;
- xi. evaluation of internal financial controls and risk management systems;
- xii. reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
- xiii. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. discussion with internal auditors of any significant findings and follow up there on.
- xv. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. to review the functioning of the Whistle Blower mechanism.
- xix. approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.
- xx. management discussion and analysis of financial condition and results of operations.
- xxi. statement of significant related party transactions (as defined by the audit committee), submitted by the management.
- xxii. Review of management letters/letters of internal control weaknesses issued by the Statutory Auditors.
- xxiii. internal Audit Reports relating to internal control weaknesses.
- xxiv. appointment, removal and terms of remuneration of the Chief Internal Auditor.
- xxv. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- xxvi. carrying out any other function as is mentioned in the terms of reference of the audit committee.

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

The composition of the Audit Committee comprises of members as stated below. The composition of the Committee is in

conformity with the listing regulations.

During the financial year ended 31<sup>st</sup> March, 2020, four (4) Audit Committee Meetings were held on 30<sup>th</sup> May, 2019, 9<sup>th</sup> August, 2019, 12<sup>th</sup> November, 2019 and 12<sup>th</sup> February, 2020 and the gap between two meetings did not exceed one hundred and twenty days. The table hereunder gives the attendance record of the Audit Committee members. Shri Sandeep Jhanwar, Chairman of the Audit Committee was present at the last Annual General Meeting held on 11<sup>th</sup> September, 2019.

Name of the Members	Category	No. of meetings attended
Shri Sandeep Jhanwar (Chairman)	Non-Executive, Independent Director	4
Shri Mahendrakumar Kabra	Managing Director	4
Shri R. Kannan, Member	Non-Executive, Independent Director	3
Shri Ramesh Chandak, Member	Non-Executive, Independent Director	4

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

## II. Nomination & Remuneration Committee:

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

The role of the Nomination and Remuneration Committee is governed by its Charter and it comprises of Members as stated below and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. All the members of the Committee are Non-Executive Independent Directors. Chairman of the Committee is an Independent Director.

During the financial year ended 31<sup>st</sup> March, 2020, Nomination & Remuneration Committee Meetings were held on 30<sup>th</sup> May, 2019 and 9<sup>th</sup> August, 2019. Shri Sandeep Jhanwar, Chairman of the Nomination & Remuneration Committee had attended the last Annual General Meeting held on 11<sup>th</sup> September, 2019. The table hereunder gives the attendance record of the Nomination & Remuneration Committee members:

Name of the Nomination & Remuneration Committee Members	Category	No. of meetings attended
Shri Sandeep Jhanwar (Chairman)	Non-Executive, Independent Director	2
Shri R. Kannan, Member	Non-Executive, Independent Director	1
Shri Ramesh Chandak, Member	Non-Executive, Independent Director	2

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

The scope of this Committee is to determine and recommend to the Board the compensation of the Executive Directors and senior management personnel. The Committee may also approve, allocate and administer the Employee Stock Option Schemes and other related matters. Presently, the Company does not have any stock option plan or performance linked incentives for its Directors.

The performance evaluation process of the Board including Independent Directors for the financial year 2019-20 has been completed.

The Nomination and Remuneration Committee is empowered, pursuant to its terms of reference, inter alia, to:

1. Identify persons who are qualified to become directors and persons who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal,
2. Carry on the evaluation of every Directors' performance,
3. Formulate criteria for determining qualifications, positive attributes and independence of a Director,
4. Recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees,
5. Formulate criteria for evaluation of Independent Directors and the Board,
6. Devise a policy on Board Diversity,



7. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors,
8. Reviewing and recommending to the Board, the remuneration payable to Directors and all remuneration, in whatever form payable to senior management and
9. Undertake any other matters as the Board may decide from time to time.

**b) Remuneration Policy:**

Your Company has formulated a Remuneration Policy which is applicable to all the Directors and senior managerial personnel of the Company. The remuneration policy of the Company specifies the criteria for appointment and remuneration of Directors, Key managerial Personnel and Senior Management as provided under the Companies Act, 2013 and Listing Regulations. It also mentions the role of the Nomination & Remuneration Committee. The Nomination & Remuneration Policy of the Company can be accessed on the website of the Company at <https://www.rrshramik.com/investor/corporate-governance/>.

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

**c) Details of Remuneration paid to the Directors for the Financial Year ended 31<sup>st</sup> March, 2020 are as under:**

**Executive Directors**

(₹ in Lakhs)

Name & Position	Pay & Allowance	Perquisites	Total	Retirement Benefits
Shri Mahendrakumar Kabra, Managing Director	99.91	Nil	99.91	Nil
Shri Hemant Kabra, Executive Director and CFO	47.00	Nil	47.00	Nil

**Non-Executive Directors**

(₹ in Lakhs)

Name of the Directors	Sitting Fees paid for attending Meetings of			
	Board	Audit Committee	Independent Directors Meeting	Nomination & Remuneration Committee
Shri Tribhuvanprasad Kabra	0.70	Nil	Nil	Nil
Shri Sandeep Jhanwar	1.40	1.00	0.25	0.50
Shri R. Kannan	1.05	0.75	0.25	0.25
Shri Prashant Deshpande*	1.05	Nil	NA	Nil
Shri H.S.Upendra Kamath	0.35	Nil	0.25	Nil
Shri Ramesh Chandak	1.40	1.00	0.25	0.50
Dr. Ajai Singh	1.40	Nil	0.25	Nil
Smt. Kirtidevi Kabra	Nil	Nil	Nil	Nil

\* Shri Prashant Deshpande resigned as director w.e.f. 12<sup>th</sup> February, 2020

### III. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee comprises of members as stated below. The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

During the financial year ended 31<sup>st</sup> March, 2020, nine (9) Stakeholders Relationship Committee Meetings were held i.e. on 12<sup>th</sup> April, 2019, 8<sup>th</sup> May, 2019, 30<sup>th</sup> May, 2019, 11<sup>th</sup> September, 2019, 20<sup>th</sup> September, 2019, 16<sup>th</sup> October, 2019, 12<sup>th</sup> November, 2019, 2<sup>nd</sup> December, 2019 and 2<sup>nd</sup> January, 2020. The table hereunder gives the attendance record of the Stakeholders Relationship Committee members.

Name of the Stakeholders Relationship Committee members	Category	No. of meetings attended
Shri Sandeep Jhanwar, Chairman	Non-Executive, Independent Director	6
Shri Mahendrakumar Kabra, Member	Managing Director	9
Shri Hemant Kabra, Member	Executive Director & CFO	8

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

The broad terms of reference of the stakeholders' relationship committee are as under:

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

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

The details pertaining to the number of investor complaints received and redressed during the financial year 2019-20 are given below as on 31<sup>st</sup> March, 2020 and the status thereof:

Nature of Complaint	Number of Complaints Pending (Beginning)	Number of Complaints Received	Number of Complaints Redressed	Number of Pending Complaints
SEBI (Scores)	1	2	3	NIL

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

The CSR Committee comprises of members as stated below. The composition of the CSR Committee is in alignment with provisions of Section 135 of the Companies Act, 2013.

During the financial year ended 31<sup>st</sup> March, 2020, four (4) CSR Committee Meetings were held i.e. on 30<sup>th</sup> May, 2019, 9<sup>th</sup> August, 2019, 12<sup>th</sup> November, 2019 and 12<sup>th</sup> February, 2020. The table hereunder gives the attendance record of the CSR Committee members.

Name of the CSR Committee members	Category	No. of meetings attended
Shri Sandeep Jhanwar (Chairman)	Non-Executive, Independent Director	4
Shri Mahendrakumar Kabra, Member	Managing Director	4
Shri Hemant Kabra, Member	Executive Director & CFO	4

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

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

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

1. Formulate and recommend to the board, a CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013
2. Recommend the amount of expenditure to be incurred on the CSR activities,
3. Monitor implementation and adherence to the CSR Policy of the Company from time to time,
4. Prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities proposed to be undertaken by the Company and
5. Such other activities as the Board of Directors may determine from time to time.

### 3) General Body Meetings:

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

#### Annual General Meeting

Year	Date	Venue	Time	Special resolution(s) passed
2016-17	16-09-2017	Hotel Sunville, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018	11:30 a.m.	Nil
2017-18	15-09-2018	Hotel Sunville, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018	11:30 a.m.	One
2018-19	11-09-2019	Hotel Sunville, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018	11:30 a.m.	Seven

#### Postal Ballot

During the FY 2019-2020, no resolution is passed by way of Postal ballot. Currently, no resolution is proposed to be passed through postal ballot. However, if required the same shall be passed in compliance of provisions of the Companies Act, 2013, Listing Regulations or any other applicable laws.

### 4) Subsidiary Company:

As on 31<sup>st</sup> March, 2020 the Company had one material unlisted Indian subsidiary, Global Copper Private Limited. As the income and networth of the said subsidiary was below 20% of the consolidated income and networth respectively, the Company was not required to nominate an Independent Director of the Company on the Board of the subsidiary company. The Company's Board monitors performance of subsidiary company by following means:

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

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

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

to the Secretarial Audit Report by Practicing Company Secretaries under Form MR - 3 and is required to be submitted to Stock Exchange within 60 days of the end of the financial year. Due to COVID 19 pandemic SEBI vide its circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/38 dated 19<sup>th</sup> March, 2020 has extended the timeline for its submission by another one month i.e. by 30<sup>th</sup> June, 2020.

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

b. A Secretarial Audit on the compliance of corporate laws and SEBI Regulations was conducted as per the provisions of Section 204 of Companies Act, 2013 by M/s. Khanna & Co., Practicing Company Secretaries during the financial year ended 31<sup>st</sup> March, 2020.

**c. Secretarial Audit Report**

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

For the quarter ended	Furnished on
30 <sup>th</sup> June, 2019	29 <sup>th</sup> July, 2019
30 <sup>th</sup> September, 2019	18 <sup>th</sup> October, 2019
31 <sup>st</sup> December, 2019	20 <sup>th</sup> January, 2020
31 <sup>st</sup> March, 2020*	21 <sup>st</sup> May, 2020

\* Filing done as per extended timelines due to COVID-19 as per SEBI circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/59 dated 13<sup>th</sup> April, 2020.

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

The Company has submitted for each of the four quarters during the FY 2019-20, the Compliance Report on Corporate Governance to the BSE Limited in the prescribed format within 15 days from the close of the respective quarters except for March 2020 quarter which was filed on 12<sup>th</sup> May, 2020 as per extended timelines due to COVID-19 as per SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19<sup>th</sup> March, 2020.

**7) Disclosures:**

**(i) Related Party Transactions:**

All transactions entered into with related parties during the financial year 2019-20 were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the link: <http://www.rrshramik.com/corporate-governance>.

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

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

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

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

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

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

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

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism for employees and Directors to report concerns about unethical behavior. The Whistle Blower Policy complies with the requirements of Vigil Mechanism as stipulated under Section 177(9) of the Companies Act, 2013. The policy comprehensively provides an opportunity for an employee and Director to report the instances of unethical behavior, actual or suspected fraud or any violation of the Code of Conduct and/or laws applicable to the Company and seek redressal. The Policy provides for a mechanism to report such concerns to the Audit Committee through specified channels. The Policy is being communicated to the employees and also posted on Company's website. The details of establishment of Whistle Blower Policy/Vigil Mechanism have been disclosed on the Company's website at the link: <http://www.rrshramik.com/corporate-governance>.

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

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

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

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

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

- a) Total exposure of the listed entity to commodities - ₹ 7,241 Lakhs
- b) Exposure of the listed entity to commodity is as under:

Commodity Name	Exposure (₹ in Lakhs)	Exposure in Quantity (in MT)	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Copper	7,241	1641	NIL				

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

**(viii) Affirmation:**

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

**(ix) Code of Conduct:**

The Company has adopted a Code of Conduct ("the Code") for Directors and Senior Management of the Company. The Code has been circulated to all the members of the Board and Senior Management and the same is available on the Company's website at the link: <http://www.rrshramik.com/corporate-governance>.

The Board members and Senior Management personnel have affirmed their compliance with the code applicable to them during the year ended March 31, 2020. A declaration to this effect signed by the Managing Director of the Company is contained in this Annual Report.

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

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

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

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

There were no instances during the financial year 2019-20, wherein the Board has not accepted recommendations made by any committee of the Board.

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

Total fees of ₹ 33.15 Lakhs for the financial year 2019-20, for all the services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

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

The Company has in place an effective mechanism for dealing with complaints relating to Sexual harassment at workplace. The details of number of complaints received and disposed during the financial year 2019-20 are as under:

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

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

The Company has complied with the applicable mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted following non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(i) The Board**

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

**(ii) Audit qualifications**

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

**(iii) Separate posts of Chairman and CEO**

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

**(iv) Reporting of Internal Auditor**

The Internal auditor may report directly to the Audit Committee.

**8) Means of Communication:**

1. Publication of Results:

The quarterly, half-yearly and annual financial results of the Company are published in leading English and vernacular language newspapers in India, viz., Economic Times, Times of India and Maharashtra Times.

2. Website and News Releases:

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

3. Stock Exchange:

Your Company makes timely disclosures of necessary information to BSE Limited in terms of the Listing Regulations and other rules and regulations issued by the SEBI.



4. BSE Corporate Compliance & the Listing Centre:

BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are in accordance with the Listing Regulations filed electronically.

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

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

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

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

11) **General Shareholders Information: Annual General Meeting**

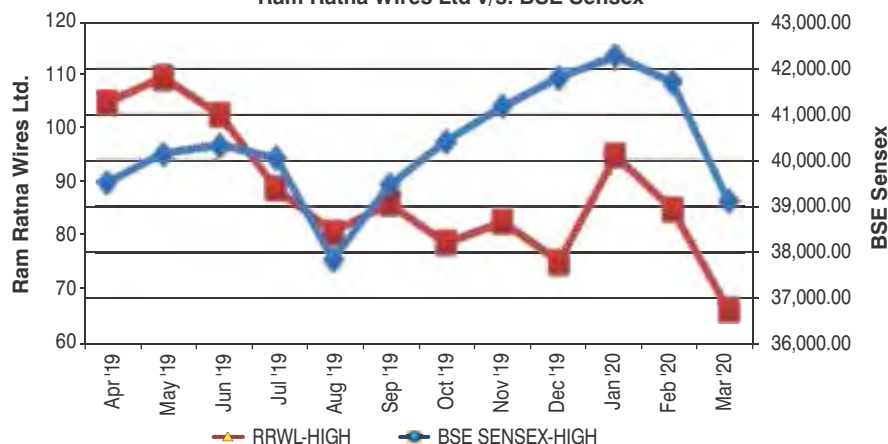
<b>(i) Date and Time</b>		: Thursday, 24 <sup>th</sup> September 2020 at 11:00 a.m.
<b>Venue</b>		: Through Video Conferencing / Other Audio Visual Means
<b>(ii) Financial Year / Calendar (tentative and subject to change)</b>	For the Financial year 1 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021, reporting for Un-audited Financial Results for the quarter ending	
	June 30, 2020	: On or around 4 <sup>th</sup> September, 2020 (extension provided due to COVID-19 pandemic situation by SEBI)
	September 30, 2020	: On or around 14 <sup>th</sup> November, 2020
	December 31, 2020	: On or around 14 <sup>th</sup> February, 2021
	March 31, 2021	: On or around 30 <sup>th</sup> May, 2021
<b>Annual General Meeting</b>		: On or around 30 <sup>th</sup> September, 2021 for year ending 31 <sup>st</sup> March, 2021
<b>(iii) Dates of book closure</b>		: 19 <sup>th</sup> September 2020 to 24 <sup>th</sup> September 2020 (both days inclusive)
<b>(iv) Dividend Payment Date</b>		: The dividend, if declared, shall be paid/credited from 25 <sup>th</sup> September 2020.
<b>(v) Registered Office</b>		: Ram Ratna House, Oasis Complex, P. B. Marg, Worli, Mumbai -400013. Tel. No.: 91-22-2492 4144/2494 9009 Email: <a href="mailto:investorrelations@rrglobal.com">investorrelations@rrglobal.com</a>
<b>(vi) Listing of Equity Shares</b>		
<b>(a) Stock Exchange</b>		The Equity Shares of the Company are listed on BSE Limited. <b>Annual Listing Fees as applicable has been paid for the year 2020- 2021.</b>
<b>(b) Depository</b>		: Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL)
<b>(vii) Stock Exchange Code</b>		: BSE Limited - 522281

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

Monthly high and low prices and volume at the BSE Limited for financial year ended 31<sup>st</sup> March, 2020 :

Month	Volume of Shares	BSE Limited	
		High (₹)	Low (₹)
April, 2019	24,598	105.00	95.00
May, 2019	97,752	109.75	82.05
June, 2019	27,807	102.70	84.00
July, 2019	72,515	88.75	62.00
August, 2019	43,142	80.50	60.25
September, 2019	50,541	86.00	68.25
October, 2019	46,136	78.60	66.45
November, 2019	113,894	82.50	69.05
December, 2019	76,834	75.00	68.55
January, 2020	207,860	95.00	67.00
February, 2020	59,405	85.00	61.00
March, 2020	150,260	65.90	40.00

**STOCK PRICES PERFORMANCE**  
Ram Ratna Wires Ltd v/s. BSE Sensex



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

The Company has appointed M/s. Bigshare Services Private Limited as its Registrar and Transfer Agents (RTA) of the Company for both physical and demat shares. The details of RTA are given below:

Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com), Address: 1<sup>st</sup> Floor Bharat Tin Works Building, Makwana Road, Marol, Andheri (E), Mumbai-400069, Phone No.: 022-62638200/62638212, Fax No.: 022-62638299, Website: [www.bigshareonline.com](http://www.bigshareonline.com)

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

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

**(xi) Share Transfer System:**

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

All share transfers and other communications regarding share certificates, change of address, dividends etc should be addressed to RTA.

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

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

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

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

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

During the year under review, the Company has credited ₹ 2.82 Lakhs lying in the unclaimed dividend account and 20,479 shares, to the Investor Education and Protection Fund (IEPF). During the financial year 2020-21 the Company would be transferring unclaimed dividend amount for the financial year ended 31<sup>st</sup> March, 2013 as per the due date for transfer.

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

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

**(xiii) Dividend History**

(₹ in Lakhs)

Financial Year	Date of declaration	Dividend %	Total Dividend	Unclaimed
2012-13	26 <sup>th</sup> August, 2013	15.00	165.00	2.82
2013-14	23 <sup>rd</sup> September, 2014	15.00	165.00	3.39
2014-15	21 <sup>st</sup> September, 2015	20.00	220.00	3.82
2015-16 (Interim)	15 <sup>th</sup> March, 2016	15.00	165.00	3.70
2016-17	16 <sup>th</sup> September, 2017	25.00	275.00	5.29
2017-18	15 <sup>th</sup> September, 2018	25.00	275.00	5.92
2018-19	11 <sup>th</sup> September, 2019	25.00	275.00	5.17

(xiv) Distribution of Shareholding as on 31<sup>st</sup> March, 2020:

No. of Equity Shares held	Shareholders		Shares	
	Numbers	% to total Shareholders	Numbers	% to total Capital
1 - 500	4,863	81.72	7,70,684	3.50
501 - 1000	452	7.60	3,69,094	1.68
1001 - 2000	266	4.47	4,19,816	1.91
2001 - 3000	86	1.45	2,19,053	1.00
3001 - 4000	50	0.84	1,79,894	0.82
4001 - 5000	73	1.23	3,56,123	1.62
5001 - 10000	70	1.18	5,33,020	2.42
10001 & above	91	1.53	1,91,52,316	87.06
<b>Total</b>	<b>5951</b>	<b>100.00</b>	<b>2,20,00,000</b>	<b>100.00</b>

(xv) Categories of Shareholding as on 31<sup>st</sup> March, 2020:

Category	Shares	
	Number	% to total Capital
<b>PROMOTERS' HOLDING</b>		
Indian Promoters	1,46,59,354	66.64
Foreign Promoter	14,00,000	6.36
<b>Total of Promoter Holding</b>	<b>1,60,59,354</b>	<b>73.00</b>
<b>NON- PROMOTERS' HOLDING</b>		
Institutional Investors	NIL	
<b>Others</b>		
Indian Public	51,02,902	23.20
Bodies Corporate, NRIs, Clearing members, HUF, IEPF	8,37,744	3.80
<b>Total of Non-Promoter Holding</b>	<b>59,40,646</b>	<b>27.00</b>
<b>Grand Total</b>	<b>2,20,00,000</b>	<b>100.00</b>

Details of Ownership Pattern given above are based on the Shareholding Pattern filed with the Stock Exchange as at 31<sup>st</sup> March, 2020.

(xvi) Dematerialization of shares and liquidity:

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

As on 31<sup>st</sup> March 2020

Form	No. of shares	%
Demat	2,14,43,098	97.47
Physical	5,56,902	2.53
<b>Total</b>	<b>2,20,00,000</b>	<b>100.00</b>

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

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

**(xviii) Plant Locations:**

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

**(xix) Address for correspondence:**

<p><b>Registrar and Share Transfer Agent</b> (Share transfer and Communication regarding share certificates, dividends and change of address)</p>	<p>Bigshare Services Private Limited, 1<sup>st</sup> Floor, Bharat Tin Works Building,, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai - 400 059 Tel. No.: 91-22-62638200/62638212 Fax No.: 91-22-62638299 Website: www.bigshareonline.com E-mail: investor@bigshareonline.com</p>
<p><b>Compliance Officer</b></p>	<p>Shri Saurabh Gupta Ram Ratna House, Oasis Complex, P.B. Marg, Worli, Mumbai - 400 013 Tel. No.: 91-22-24924144/24949009 Fax No.: 91-22-24912586 E-mail: investorrelations@rrglobal.com</p>

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

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad as on 31<sup>st</sup> March, 2020. The ratings issued by India Ratings and Research (Ind-Ra) for long term borrowings and short term borrowings of the Company are BBB+ and A2 respectively. There was no revision in the said ratings during the year under review.

**13) Request to Investors:**

- a) Investors are requested to communicate change of address, if any, directly to the Registrar and Share Transfer Agent of the Company at the above address.
- b) As required by SEBI, investors shall furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorized persons.
- c) The Shareholders are requested to dematerialize their physical share certificates, through a depository participant. Shareholders requiring any further clarification / assistance on the subject may contact the Company's share transfer agent.
- d) Investors who have not availed nomination facility are requested to avail the same by submitting the nomination form. The form can be downloaded from the Company's website.
- e) Investors holding shares in electronic form are requested to deal only with their depository participant in respect of change of address, nomination facility and furnishing bank account number, etc.
- f) The Shareholders are requested to register their email address with their depository participant or with the Company's RTA, as the case may be, to receive timely communications from the Company such as Notice of AGM, Annual Report etc.

- g) Members who have not encashed their dividend warrants in respect of dividends declared for the year ended 31<sup>st</sup> March, 2013 and for any financial year thereafter may contact the Registrar and Share Transfer Agent of the Company. Members are requested to note that the dividend not claimed for a period of seven years from the date they first became due for payment shall be transferred to Investor Education and Protection Fund (IEPF) in terms of Section 124 of Companies Act, 2013.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 29<sup>th</sup> July, 2020

**Tribhuvanprasad Kabra**  
Chairman  
DIN - 00091375

## MANAGEMENT DISCUSSION AND ANALYSIS

### A) Economic Scenario

#### A.1 World Scenario

Covid-19, has shocked the world economy. According to the International Monetary Fund (IMF), the global economy is expected to shrink by over 3 percent in 2020 - the steepest slowdown since the Great Depression of the 1930s.

#### A.2. Indian scenario

The union budget showcased that real GDP growth moderated to 5.0 percent in 2019 -2020 as compared to 6.8 percent in 2018 -2019.

The economic impact of the 2020 coronavirus pandemic in India has been largely disruptive. India's growth in the fourth quarter of the fiscal year 2020 went down to 3.1% according to the Ministry of Statistics. The Chief Economic Adviser to the Government of India said that this drop is mainly due to the coronavirus pandemic effect on the Indian economy. Notably India had also been witnessing a pre-pandemic slowdown, and according to the World Bank, the current pandemic has "magnified pre-existing risks to India's economic outlook.

#### A3. Industry Structure;

Your Company, M/s. Ram Ratna Wires Limited (herein after referred as "The Company"/ "RRWL") has been a leading player in the production of winding wires and strips covering its full product range and almost all types of bare and insulated products in both copper and aluminium, fulfilling the vital quality requirements of reputed Indian and multinational electrical & electronic, telecommunication and related industries, especially, in OEM (Original equipment manufacturers) sector. The company provides total winding solutions to these sectors.

### B) Development & Modernization

The company has been diversifying its bare and insulated products into more diversified items like Enamelled aluminium winding wires, Paper covered wires, Submersible winding wires in different combinations of insulation, litz wires, Bunched and braided wires, Enamelled copper strips, Enamelled aluminium strips, Paper covered copper strips, Fibre glass covered copper and aluminium strips, Enamelled and fibre glass covered copper strips, etc. which together accounts almost 25% of company's total capacity.

Despite slow down, in the Indian electrical Industry, production of all items during FY 19-20 stood at 25,918 tons against 25,389 tons during the previous financial year. Production of submersible winding wires and Enamelled aluminium strips witnessed a sharp increase in FY 19-20, though at a lower level.

Development and modernization by an innovative and highly interactive strong R&D team is the asset and the strength of your company. Development for market oriented items and expansion for value added products are inbuilt agenda at Ram Ratna Wires Ltd. (RRWL). The main product of your company i.e. Enamelled copper winding wires constitutes around seventy five percent of the total production, in tonnage.

New products which are market oriented developed during FY19-20 includes copper wire braiding, bunching and flexible connectors as per customer's specifications, DC MH classic submersible winding wires, Aluminium foil strips, Polyester covered enamelled strips and Corona resistant winding wire.

### C) Outlook:

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

Winding wires & strips are input to both electrical industry and a variety of electronic and telecommunication equipment industry.

In sharp contrast to FY 18-19, Electrical equipment industry registered an overall decline of 6.6%, in first half of FY 19 - 20, as compared to 19% growth in the same period of past year.

Demand for winding wires and strips is also linked to the growth of power sector. India has set ambitious future plans for power generation. The target for renewable energy itself has been increased to 175,000 MW, by 2022. With a generation of 1497 TWH, India is the third largest producer and the third largest consumer of electricity in the world.

Climate change due to Global warming has been resulting into extreme weather conditions, like severe floods and droughts. In such a situation of droughts, submersible pumps are one of the solutions for accessing ground water. Demand and production of this type of insulated wires suitable for submersible pumps has been steadily increasing, as evident from



production and sales figures of the company for the past couple of years.

Most of the Indian cities are highly polluted. Electric vehicles for mobility are one of the solutions for less pollution. Major automakers in the country see electric vehicles (EVs) and connectivity as the way forward. Insulated wires and strips used in this sector should have a high level of quality and reliability. Your company has been accredited with the toughest and prestigious certification: IATF16949 : 2016, which is the international standard for Automotive Quality Management system. This certification helps RRWL products to capture its due market share in this sector.

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

Government's stress on "Aatma Nirbhar Bharat" will uplift the domestic production and it will also pave the way for investment in Indian manufacturing Industry, especially, in the wake of possible realignment of trade and investments of developed nations across the world, in the post Covid-19, scenario.

## **C2. RR Shramik brand: Trusted brand with immense popularity:**

Process automation, digitalization, integration of on line system with ERP software, data analysis, automatic generation of wire sample test results where there is least possibility of human error, alerts through mobile applications and display of product test results in the plant on large Neon sign boards, on real time basis through full Wi-Fi based testing lab and instruments interfaced with computer and server, have been introduced in the factory during FY 19-20.

In March, 2020 your Company, RRWL unit 1 & 3 have been accredited with IATF 16949 : 2016 which is the international standard for Automotive Quality Management system. IATF (International Automotive Task Force) 16949 : 2016 Standard is built for quality management systems for automotives. It is one of the toughest quality certifications and the agencies have to follow IATF and AIAG guidelines. This certification is an assurance of quality at the highest level and reliability of RR Shramik brand of products.

As you are aware, your company has already been accredited with a number of International quality standard certification i.e. ISO 9001:2015, ISO 14001:2015, BS OHSAS 18001:2007.

Many large private sector Indian & Multinational companies like, M/s. Schneider Electric India Private Ltd., M/s. Siemens Ltd., M/s. C G Power & Industrial solutions Ltd., C&S Electric Ltd, Godrej & Boyce manufacturing company Ltd., Havells India Ltd, Pricol Ltd. etc ( the list is very long) include among the esteemed customers of your company.

All these, domestic and international factors contribute to the huge demand for winding wires and strips; and therefore, future outlook for RR Shramik brand is very bright.

## **D) Opportunities and threats**

### **Opportunities:**

Winding wires and strips are consumer items. In the contemporary world, every human being needs electricity, along with food, clothing and shelter, for modern living. Except for heating and lighting, major portion of electricity has to be consumed through winding wires and strips, as the same is used in all domestic appliances, office equipments at trade and commerce centers, industrial establishments and all those venues and places where human activities take place. As per 2017 survey, per capita electrical energy consumption in India is 947 KWH, compared to that of 12,573 KWH of USA, while that of China is 4546 KWH. Therefore, with a population of 1.38 billion (as per UN data, 27<sup>th</sup> July, 2020) people, in a developing country like India, demand for winding wires is ever increasing.

### **Threats:**

Economic impact of COVID-19 at national and international level, military engagement of our armed forces with our neighbors to secure our borders, rising cost of production due to wage increase and price increase of various inputs, fluctuating copper prices in the international market, foreign exchange variation etc and tough competition from other leading manufacturers in Winding wire industry, are major threats for the profitability of your company.

## **E) Performance Review**

During the financial year 2019-20, revenue from operations including other income on standalone basis is ₹ 1,25,956 Lakhs as against ₹ 1,25,355 Lakhs in the previous year. Profit After tax for the current year is ₹ 1,426 Lakhs as against ₹ 1,596 Lakhs in the previous year.

On Consolidated Basis revenue from operations including other income is ₹ 1,45,014 Lakhs as against ₹ 1,42,640 Lakhs in the previous year. Profit After tax for the current year is ₹ 1,458 Lakhs as against ₹ 1,596 Lakhs in the previous year.

### Key Financial Ratios

Ratios	Standalone	
	FY 2019-20	FY 2018-19
Debtors Turnover Ratio	6.38	6.24
Inventory Turnover Ratio	13.65	19.06
Interest Coverage Ratio	1.72	2.00
Current Ratio	1.23	1.16
Debt Equity Ratio	0.28	0.28
Operating Profit Margin%	3.11%	3.91%
Net Profit Margin%	1.14%	1.28%
Return on Net Worth (RONW)	8.05%	8.75%

There has been significant change (i.e. change of 25% or more as compared to immediately previous year) in Inventory Turnover ratio due to purchase and sales in transit.

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

The Company has in place adequate internal financial controls commensurate to the size and nature of its business. The Company has proper policies and procedures in place to ensure proper controls, safeguarding of assets against loss and all transactions are authorized, recorded and reported correctly. These internal controls are also evaluated and monitored by the Internal and Statutory Auditors of the Company on a periodic basis and their reports are placed before the Audit Committee for its review and corrective actions and suggestions if any required. Suggestions for improvement are considered and the Audit Committee follows up on the corrective actions if any. In the opinion of the Audit Committee, the existing internal financial controls framework is adequate and operating effectively.

#### G) Human Resources Development:

##### Training:

The company views human resource as its biggest asset. Towards that end, it always strives to groom and develop its employees at all levels. Regular training and competence building is done in a structured manner. The congenial work environment promotes a culture based on meritocracy. The infrastructure provides for safe working conditions for all the employees.

##### Industrial Relations:

The Company is committed to maintain good industrial relations through active participation of workers, regular meetings and discussions on all legitimate and legally tenable issues. The Company employed 961 number of permanent employees on its Roll as on 31<sup>st</sup> March, 2020

##### References / Sources:

1. IEEMA Journal- various editions
2. Indian Express
3. Wikipedia

For and on behalf of the Board

Place: Mumbai  
Date: 29<sup>th</sup> July, 2020

**Tribhuvanprasad Kabra**  
Chairman  
DIN - 00091375

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

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

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

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

Place: Mumbai  
Date: 29<sup>th</sup> July, 2020

**Mahendrakumar Kabra**  
Managing Director  
DIN - 00473310

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

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

We have examined the compliance of conditions of Corporate Governance by Ram Ratna Wires Limited (the 'Company') for the year ended 31<sup>st</sup> March, 2020 as stipulated in Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

Place : Mumbai  
Date : 29<sup>th</sup> July 2020

**Anup Vaibhav C. Khanna**  
Partner  
FCS No.: 6786  
COP No.: 12906  
UDIN: F006786B000550901  
Peer Review: 638/2019

## MANAGING DIRECTOR'S AND CFO CERTIFICATION

We hereby certify that for the financial year ended 31<sup>st</sup> March, 2020, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:

- A. We have reviewed financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March, 2020 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

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

**Mahendrakumar Kabra**  
Managing Director  
DIN - 00473310

Place : Mumbai  
Date : 29<sup>th</sup> July, 2020

## INDEPENDENT AUDITOR'S REPORT

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

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

#### 1. Opinion

We have audited the accompanying standalone financial statements of Ram Ratna Wires Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

#### 2. Basis for Opinion

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

#### 3. Key Audit Matters

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

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

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

The Company's Board of Directors is responsible for other information. Other information comprises the information included in the Annual Report, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from

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

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

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

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

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

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

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

## 7. Report on Other Legal and Regulatory Requirements

- (i) As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure "A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact, if any, of pending litigations as at 31<sup>st</sup> March, 2020 on its financial position in its standalone financial statements - Refer Note 29 to the standalone financial statements;
  - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (ii) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure "B"**, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

UDIN: 20124528AAAAAQ3520

Place : Mumbai

Date : 29<sup>th</sup> July, 2020

**Jatin V. Dalal**

Partner

Membership No. 124528

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

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

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

We have audited the internal financial controls over financial reporting of Ram Ratna Wires Limited ("the Company") as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**3. Auditor's Responsibility**

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

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

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

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

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

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

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

## 6. Opinion

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

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

UDIN: 20124528AAAAAQ3520  
Place : Mumbai  
Date : 29<sup>th</sup> July, 2020

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

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

to it with appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Goods and Service Tax, Cess and other material statutory dues in arrears, as at 31<sup>st</sup> March, 2020 for a period of more than six months from the date they became payable.
- (c) There are no dues with respect to Income Tax, Sales Tax, Service Tax, Value Added Tax, Customs Duty, Excise Duty, Goods and Service Tax and any other material statutory dues applicable to it, which have not been deposited on account of any dispute other than the following:-

Name of the Statute	Forum where matter is pending	Period to which the amount relates	Nature of Dues	Amount (₹ in Lakhs)
Central Excise Act, 1944	High Court	April, 2001 to May 2013	Excise Duty	616.78
	Tribunal	Various periods from 2006-07 to 2018-19	Excise Duty & Service Tax	147.79
	Commissioner & Commissioner (Appeals)	Various periods from 2006-07 to 2008-09	Excise Duty & Service Tax	16.61

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

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

UDIN: 20124528AAAAAQ3520  
Place : Mumbai  
Date : 29<sup>th</sup> July, 2020

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

**BALANCE SHEET as at 31<sup>st</sup> March, 2020**

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	2A	13,885.44	14,030.52
Capital Work-in-Progress	2B	13.52	87.28
Intangible Assets	2C	55.48	75.50
Right of Use Assets	2D	39.54	-
Financial Assets			
Investments	3	3,657.71	5,721.49
Loans	4A	21.78	21.74
Other Financial Assets	5A	2.84	2.84
Income Tax Assets (Net)	6	88.45	46.73
Other Assets	7A	549.56	682.83
		<b>18,314.32</b>	<b>20,668.93</b>
<b>CURRENT ASSETS</b>			
Inventories	8	7,856.74	8,506.84
Financial Assets			
Trade Receivables	9	18,867.44	20,402.18
Cash and Cash Equivalents	10B	82.98	715.29
Other Balances with Banks	10B	91.21	85.58
Loans	4B	34.11	23.60
Other Financial Assets	5B	7.15	4.32
Other Assets	7B	1,437.91	2,959.95
Assets Held for Sale		17.00	-
		<b>28,394.54</b>	<b>32,697.76</b>
		<b>46,708.86</b>	<b>53,366.69</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	11	1,100.00	1,100.00
Other Equity	12	16,623.23	17,153.87
		<b>17,723.23</b>	<b>18,253.87</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	13A	4,899.15	5,186.03
Other Financial Liabilities	14A	18.88	-
Provisions	15A	101.39	81.56
Deferred Tax Liability (Net)	16	859.50	1,615.59
Deferred Income	17	65.47	110.11
		<b>5,944.39</b>	<b>6,993.29</b>
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	13B	16,684.76	20,159.83
Trade Payables			
- Micro, Small & Medium Enterprises	18	32.44	81.74
- Others	18	2,185.01	4,440.26
Other Financial Liabilities	14B	3,598.75	2,960.97
Other Liabilities	19	428.43	454.21
Provisions	15B	34.20	22.52
Income Tax Liabilities (Net)	20	77.65	-
		<b>23,041.24</b>	<b>28,119.53</b>
		<b>46,708.86</b>	<b>53,366.69</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
Significant Accounting Policies	1		
See accompanying Notes to the Financial Statements	1-45		

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

Chartered Accountants

(Firm Registration No. 128093W)

**Jatin V. Dalal**

Partner

M.No. 124528

Place : Mumbai

 Dated : 29<sup>th</sup> July, 2020

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

Chairman

DIN - 00091375

Managing Director

DIN - 00473310

**Hemant Kabra**

Director &amp; CFO

DIN - 01812586

**Saurabh Gupta**

Company Secretary

ACS - 53006

**STATEMENT OF PROFIT & LOSS for the year ended on 31<sup>st</sup> March, 2020**

(₹ in Lakhs)

Particulars	Note No.	2019-20	2018-19
<b>Revenue from Operations</b>			
Sale of Products	21	124,045.17	123,011.31
Other Operating Revenues	21	1,503.11	2,002.33
Other Income	22	408.39	341.45
<b>Total Revenue</b>		<b>125,956.67</b>	125,355.09
Cost of Materials Consumed	23	112,248.48	114,898.35
Changes in Inventories	24	(597.51)	(3,603.33)
Employee Benefits Expense	25	3,027.48	2,776.93
Finance Costs	26	2,267.08	2,442.25
Depreciation & Amortisation Expense	27	1,736.34	1,526.34
Other Expenses	28	5,636.76	4,871.94
<b>Total Expenses</b>		<b>124,318.63</b>	122,912.48
<b>Profit Before Tax</b>		<b>1,638.04</b>	2,442.61
Tax Expenses:	15		
Current Tax		521.09	723.18
(Excess)/Short Tax Provision of earlier years		(39.54)	13.92
Deferred Tax		(269.81)	108.69
		211.74	845.79
<b>Profit After Tax</b>		<b>1,426.30</b>	1,596.82
<b>Other Comprehensive (Loss) / Income (OCI)</b>			
A (i) Items that will not be reclassified to Profit or Loss			
a) Remeasurement benefit of defined benefit plans		(47.90)	2.50
b) Fair value (Loss) on investment in equity instrument through OCI		(2,063.78)	(52.62)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		486.28	439.76
B (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
<b>Total Other Comprehensive (Loss) / Income (OCI) (A+B)</b>		<b>(1,625.40)</b>	389.64
<b>Total Comprehensive (Loss) / Income for the year</b>		<b>(199.10)</b>	1,986.46
<b>Earnings per Equity Share of ₹ 5/- each (Note 37)</b>			
Basic		6.48	7.26
Diluted		6.48	7.26
Significant Accounting Policies	1		
See accompanying Notes to the Financial Statements	1-45		

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

 Chartered Accountants  
 (Firm Registration No. 128093W)

**Jatin V. Dalal**

Partner

M.No. 124528

Place : Mumbai

 Dated : 29<sup>th</sup> July, 2020

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

Chairman

DIN - 00091375

Managing Director

DIN - 00473310

**Hemant Kabra**

Director &amp; CFO

DIN - 01812586

**Saurabh Gupta**

Company Secretary

ACS - 53006

**STATEMENT OF CHANGES IN EQUITY for the year ended on 31<sup>st</sup> March, 2020**

(₹ in Lakhs)

<b>EQUITY SHARE CAPITAL</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Balance at the beginning of the year	1,100.00	1,100.00
Changes in equity share capital during the year	-	-
Balance at the end of the year	1,100.00	1,100.00

(₹ in Lakhs)

<b>OTHER EQUITY</b>	<b>Reserves &amp; Surplus</b>			<b>Equity Instruments through OCI</b>	<b>Total</b>
	<b>Security Premium</b>	<b>General Reserve</b>	<b>Retained Earnings</b>		
<b>Balance as at 1<sup>st</sup> April, 2018 (A)</b>	<b>763.20</b>	<b>513.00</b>	<b>9,470.26</b>	<b>4,752.48</b>	<b>15,498.94</b>
Additions during the year					
Profit for the year	-	-	1,596.82	-	1,596.82
Add/(Less): Items of OCI for the year, net of tax :					
Remeasurement benefit of defined benefit plans	-	-	1.63	-	1.63
Net fair value gain on investment in equity instruments through OCI	-	-	-	388.01	388.01
Add/(Less) : Reclassification of gain on disposal of investment in equity instruments through OCI			1,869.26	(1,869.26)	-
<b>Total Comprehensive Income For the year 2018-19 (B)</b>	<b>-</b>	<b>-</b>	<b>3,467.71</b>	<b>(1,481.25)</b>	<b>1,986.46</b>
Reductions during the year :					
Dividend	-	-	(275.00)	-	(275.00)
Income Tax on Dividend	-	-	(56.53)	-	(56.53)
Transfer to General Reserve	-	-	-	-	-
<b>Total (C)</b>	<b>-</b>	<b>-</b>	<b>(331.53)</b>	<b>-</b>	<b>(331.53)</b>
<b>Balance as at 31<sup>st</sup> March, 2019 (D)= (A+B+C)</b>	<b>763.20</b>	<b>513.00</b>	<b>12,606.44</b>	<b>3,271.23</b>	<b>17,153.87</b>
Additions during the year					
Profit for the year	-	-	1,426.30	-	1,426.30
Items of OCI for the year, net of tax :					
Remeasurement benefit of defined benefit plans	-	-	(37.69)	-	(37.69)
Net fair value (Loss) on investment in equity instruments through OCI	-	-	-	(1,587.72)	(1,587.72)
<b>Total Comprehensive (Loss) / Income For the year 2019-20 (E)</b>	<b>-</b>	<b>-</b>	<b>1,388.61</b>	<b>(1,587.72)</b>	<b>(199.11)</b>
Reductions during the year :					
Dividends	-	-	(275.00)	-	(275.00)
Income Tax on Dividend	-	-	(56.53)	-	(56.53)
Transfer to General Reserve	-	-	-	-	-
<b>Total (F)</b>	<b>-</b>	<b>-</b>	<b>(331.53)</b>	<b>-</b>	<b>(331.53)</b>
<b>Balance as at 31<sup>st</sup> March, 2020 (D+E+F)</b>	<b>763.20</b>	<b>513.00</b>	<b>13,663.52</b>	<b>1,683.51</b>	<b>16,623.23</b>

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

 Chartered Accountants  
 (Firm Registration No. 128093W)

**Jatin V. Dalal**

Partner

M.No. 124528

Place : Mumbai

 Dated : 29<sup>th</sup> July, 2020

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

<b>Tribhuvanprasad Kabra</b> Chairman DIN - 00091375	<b>Mahendrakumar Kabra</b> Managing Director DIN - 00473310
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<b>Hemant Kabra</b> Director & CFO DIN - 01812586
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<b>Saurabh Gupta</b> Company Secretary ACS - 53006
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**CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2020**

(₹ in Lakhs)

Particulars	2019-20	2018-19
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax</b>	<b>1,638.04</b>	2,442.61
<b>Adjustments for:</b>		
Depreciation & amortisation	<b>1,736.34</b>	1,526.34
Grant related to property, plant & equipment	<b>(86.31)</b>	(88.92)
Finance costs	<b>2,267.08</b>	2,442.25
Interest income	<b>(4.27)</b>	(3.98)
Dividend income	<b>(44.34)</b>	(41.60)
Allowance for doubtful debts and bad debts written off	<b>417.10</b>	152.45
Unrealised foreign exchange loss/ (gain) (net)	<b>27.93</b>	(49.00)
Loss on sale of property, plant & equipment (net)	<b>9.00</b>	(10.43)
<b>Operating Profit before working capital changes</b>	<b>5,960.57</b>	6,369.72
<b>Adjustments for decrease/(increase):</b>		
Trade receivables	<b>1,191.45</b>	(982.06)
Financial assets	<b>(12.93)</b>	6.29
Other assets	<b>1,692.96</b>	(679.58)
Inventories	<b>650.10</b>	(5,338.24)
Trade payables	<b>(2,384.84)</b>	1,041.48
Financial liabilities	<b>(164.56)</b>	(261.76)
Other liabilities & provisions	<b>(42.17)</b>	346.92
<b>Cash generated from Operating activities</b>	<b>6,890.58</b>	502.77
Income Tax paid (net of refund)	<b>(457.48)</b>	(839.20)
<b>Net cash flow from / (used in) Operating activities (A)</b>	<b>6,433.10</b>	(336.43)
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of property, plant & equipment (including WIP)	<b>(1,643.38)</b>	(3,486.34)
Purchases of asset held for sale	<b>(17.00)</b>	-
Sale of property, plant & equipment	<b>12.41</b>	33.80
Sale of investment of equity instruments	<b>-</b>	1,887.14
(Investment) / Proceed from fixed deposits (net)	<b>(3.41)</b>	46.40
Dividend received	<b>44.34</b>	41.60
Interest received	<b>3.82</b>	4.57
<b>Net cash flow (used in) Investing activities (B)</b>	<b>(1,603.22)</b>	(1,472.83)

(₹ in Lakhs)

Particulars	2019-20	2018-19
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from non current borrowing	615.25	1,026.43
(Repayment) / Proceeds from current borrowing (net)	(3,475.07)	3,941.78
Repayment of lease liabilities	(24.56)	-
Finance costs paid	(2,246.28)	(2,407.47)
Dividend paid (Inclusive of income tax on dividend)	(331.53)	(331.53)
<b>Net cash (used in) / flow from Financing activities (C)</b>	<b>(5462.19)</b>	<b>2,229.21</b>
<b>(D) Net (decrease) / increase in cash and equivalents ( A+B+C )</b>	<b>(632.31)</b>	<b>419.95</b>
Add: Cash and cash equivalents as at 1 <sup>st</sup> April	715.29	295.34
Cash and cash equivalents as at 31 <sup>st</sup> March	82.98	715.29

Notes:

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

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Cash on hand	1.78	1.69
Balance with banks	81.20	713.60
	82.98	715.29

- c) Reconciliation of liabilities arising from financing activities :

(₹ in Lakhs)

Particulars	As at 31.03.2019	Cash (used in) / flow	Non cash changes		As at 31.03.2020
			fair value changes	Current/Non-Current Classification	
Borrowings- Non Current	5,186.03	2,070.03	-	(2,356.91)	4,899.15
Borrowings- Non Current (current maturities)	1,454.78	(1,454.78)	-	2,356.91	2,356.91
Borrowings- Current	20,159.83	(3,475.07)	-	-	16,684.76

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

**Jatin V. Dalal**  
Partner  
M.No. 124528  
Place : Mumbai  
Dated : 29<sup>th</sup> July, 2020

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

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

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

**Saurabh Gupta**  
Company Secretary  
ACS - 53006

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020

### CORPORATE INFORMATION

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

The Company is a leading manufacturer of winding wires, mainly enamelled copper wires. The Company offers unique product range of all gauges of winding wires including super fine wires. The product portfolio of the Company includes enamelled copper wire and strips, enamelled aluminium wires and strips, submersible winding wires, fibre glass covered copper and aluminium strips and paper cover round wires. The Company has manufacturing facilities located at Silvassa and Dadra and Nagar Haveli (Union Territory). The Standalone Financial Statements ("the Financial Statements") as at 31<sup>st</sup> March, 2020 present the financial position of the Company. The Financial Statements were approved by the Board of Directors and authorised for issue on 29<sup>th</sup> July, 2020.

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

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

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

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

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

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

The Financial Statements includes Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit & Loss including Other Comprehensive Income, Cash Flows Statement, Statement of Change in Equity for the year ended 31<sup>st</sup> March, 2020 and significant accounting policy and other explanatory information.

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

##### (iii) Recent pronouncements :

New Indian Accounting Standards (Ind AS) / amendments adopted by the Company:

The Company has applied Ind As 116 'Leases' pursuant to issuance of the Companies (Indian Accounting standards) Amendment Rules, 2019 issued by the Ministry of Corporate Affairs, for the first time for the accounting year beginning from 1<sup>st</sup> April, 2019. Ind As 116 Leases, which has replaced Ind As 17 Leases. Ind As 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. (Note: C (v) & 44)

New Indian Accounting Standards (Ind AS) or amendments to existing IND AS issued but not effective:

Ministry of Corporate Affairs has not notified new IND As or amendments to the existing IND As to be effective from 1<sup>st</sup> April, 2020.

Others:

The Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax and re-measured its Deferred Tax Assets or Liabilities for the year ended 31<sup>st</sup> March 2020 on the basis of reduced tax rate prescribed in the said section. The impact thereof recognised in the statement of Profit & Loss of ₹ 199.12 Lakhs pertaining to earlier years is recognised during the year.

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

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

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

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

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

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

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

### (b) KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

- Timing of recognising of revenue from contact with customers
- Useful lives of property, plant and equipment and intangible assets
- Impairment of property, plant and equipment and intangible assets
- Impairment of Investments in subsidiary & Joint Venture
- Provision for employee benefits and other provisions
- Provision for Income Tax including payment of advance Tax
- Recoverability of deferred tax assets
- Fair Value Measurements of Financial Instruments
- Identification of Lease, assessing lease terms (including anticipated renewals) and applicable discount rate
- Commitments and contingencies

#### Estimation of uncertainties relating to the global pandemic of COVID-19

The outbreak of Coronavirus (COVID -19) pandemic globally and in India has led to unpredictable challenges for the human mankind. This pandemic has caused disturbance and slowdown in the economic activities worldwide and impacted business, by interruption in supply and demand chain, unavailability of personnel, closure of production facilities and offices and posed unforeseen challenges before business.

All the plants of the Company were shut down from 24<sup>th</sup> March, 2020 following the nationwide lockdown by the Government of India to prevent the community spread of COVID-19. The manufacturing activities at plants, were resumed from 9<sup>th</sup> April, 2020 in the phased manner taking into account directives issued by the Government.

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

This lockdown has slightly affected revenue of the Company for the month of March, 2020. However, there is no material impact on the carrying value of the current assets particularly trade receivables and inventories, which account for substantial part of the current assets of the Company. In assessing the recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, credit risk of the customers based on the industry and internal, external information, as available, till preparation of Financial Statements. In assessing the recoverability of Inventories, the company has considered the price trend of copper and aluminium over the period of lockdown till date, procurement policy and practice of the Company, average selling price post lockdown and orders in hands.

Considering the operation post lockdown, flow of orders, ongoing discussions with the vendors, and customers, the Company is positive about the future. The Company will continue to closely monitor any material change to the future economic conditions.

### (c) SIGNIFICANT ACCOUNTING POLICIES

#### i) Property, Plant and Equipment

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

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

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

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

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

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

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

#### ii) Intangible Assets

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

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

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

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

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

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

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

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

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

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

### iv) Impairment of Assets

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

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

### v) Leases

#### The Company as a Lessee

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

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

Identification of lease requires significant judgment including judgement to assess the lease terms (including anticipated renewals) and the applicable discount rate. The Company determines the lease terms as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease, if the Company is reasonably certain to exercise that option; and period covered by an option to terminate the lease, if the Company is reasonably certain not to exercise that option. In assessing, whether the Company is reasonably certain to exercise the

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

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

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

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

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

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

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

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

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

Ind As 116 "Leases" has replaced the Ind As 17 "Leases" with effect 1<sup>st</sup> April, 2019, for transition effect thereof (Note 44).

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

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

### **vii) Inventories:**

- Raw Materials, Work-in-progress and Finished goods are valued at the lower of cost or net realizable value. The cost is determined using FIFO method.
- The cost of purchase comprises of the purchase price including duties and taxes (other than those subsequently recoverable by the Company from the taxing authorities), freight inward and other expenditure directly attributable to the acquisition but net of trade discount, rebates, duties for import under advance licenses and other similar items.
- Packing Materials, Consumable Stores and Spares and Fuel are valued at lower of cost or net realizable value.
- The cost is determined using FIFO method.
- Scrap is valued at net realizable value.
- The cost of Inventories of work-in-progress and finished goods comprises the cost of purchases and the cost of conversion and in case of finished goods it also includes the cost of packing materials.
- The cost of conversion comprises of depreciation and repairs and maintenance of factory buildings and plant and machineries, power and fuel, factory management and administration expenses and consumable stores and spares.



## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

- Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost to make sale.

### viii) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

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

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

#### a) Financial Assets

##### Cash and bank balances

Cash and bank balances consist of:

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

##### Financial assets measured at amortised cost

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

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

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

##### Financial assets measured at fair value

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

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

Fair value movements are recognised in the other comprehensive income.

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

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

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### Impairment of Financial Assets

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

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

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

### De-recognition of Financial Assets

A financial asset is de-recognised only when

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

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

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

## b) Financial Liabilities

### Classification as debt or equity

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

### Equity Instrument

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

### Financial Liability

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

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

### De-recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or has expired.

## c) Financial Guarantee Contracts

Financial guarantee contracts are those contracts that require specific payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value adjusted

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

for transaction cost that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 or the amount recognised less cumulative amortisation.

### d) **Derivative financial instruments**

The Company enters into derivative financial contracts in the nature of forward currency contracts with banks to reduce business risks which arise from its exposures to foreign exchange. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/firm contractual commitments.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Any change therein is generally recognised in the statement of profit and loss. Derivatives are carried as financial assets when fair value is positive and as financial liabilities when fair value is negative.

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

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### ix) **Fair Value Measurement**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows:-

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

### x) **Non-Current Assets held for sale**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell and are presented separately from other assets in the balance sheet. The liabilities related to the assets held for sale are presented separately from other liabilities in the balance sheet. Non-current assets held for sale are not depreciated or amortized.

### xi) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

Where there are number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of Management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for a contingent liability is made when there is a possible obligation or present obligation arising from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company and where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognised nor disclosed in the financial statements.

### xii) Revenue

Revenue from contracts with customer is recognized when the Company satisfies a performance obligation by transferring the promised goods or services to a customer at a transaction price. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer as per contract, excluding amount of taxes collected on behalf of the government. The transaction price is adjusted of trade discount, cash discount, volume rebate and other variable considerations as per the terms of contract.

#### **Sale of Goods:-**

Revenue from sale of products is recognised at a point in time when the control on the goods have been transferred to a customer i.e when material is delivered to the customer or as per shipping terms , as may be specified in the contract.

#### **Job Work**

Revenue from Job work is recognised when intended job work is carried out and goods are ready for transfer to the owner of the goods.

#### **Interest Income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable interest rates.

#### **Rental Income**

Rental income is recognised in the statement of profit and loss on straight line basis.

#### **Dividend Income**

Dividend Income from investments is recognised when shareholder's rights to receive payment have been established.

#### **Commission Income**

Guarantee commission income (notional) for the financial guarantee issued by the Company to the bank in respect of credit facility granted by the bank to the dealers of the Company is recognised over the period of guarantee.

#### **Export Incentives**

Eligible export incentives are recognised in the year in which the conditions precedents are met and there is no significant uncertainty about the collectability.

### xiii) Government Grant

Government grants are recognised when there is reasonable assurance that the grant will be received and the company will comply with all the attached conditions. When the grant relates to revenue expense, it is recognised as an income on a systematic basis over the period necessary to match it with the expenses that it is intended to compensate. Government grant related to expenditure on property, plant and equipment is included as cost of property, plant and equipment and is credited to the statement of profit and loss over the useful lives of qualifying assets or credited to the statement of profit and loss over the period in which the corresponding export obligation is fulfilled. Total grants availed less the amounts credited to the statement of profit and loss at the balance sheet date are included in the balance sheet as deferred income.

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### xiv) Foreign Currency Transactions

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

Transactions denominated in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary items is restated at the closing exchange rates. Non-monetary items are recorded at exchange rate prevailing on the date of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. Exchange differences arising out of these translations are recognized in the statement of profit and loss.

The forward exchange contracts are marked to market and gain/loss on such contracts are recognised in the statement of profit and loss at the end of each reporting period.

The Company as per previous GAAP elected to recognise as part of cost of assets, exchange differences arising on translation of long term foreign currency monetary items and this method of recognition of such exchange difference is followed by the Company as allowed under Ind AS 101. Such differences are added/deducted to/ from the cost of assets and are recognised in the statement of profit and loss on a systematic basis as depreciation over the balance life of the assets.

### xv) Employee Benefits

#### a) Short Term Obligations

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

#### b) Post-Employment Benefits

##### i) Defined benefit plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation on Project Unit Credit Method made at the end of each financial year. The scheme is maintained and administered by Life Insurance Corporation of India to which the Company makes periodical contributions through its trustees.

##### ii) Defined contribution plan

A Defined Contribution Plan is plan under which the Company makes contribution to Employee's Provident Fund administrated by the Central Government. The Company's contribution is charged to the statement of profit and loss.

#### c) Other Long Term Employee Benefits - Leave Salary

The liability towards leave salary which is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related services is recognized based on actuarial valuation carried out using the Projected Unit Credit Method.

### xvi) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized. All other borrowing costs are expensed in the period in which they occur.

### xvii) Income Taxes

Tax expenses for the year comprises current tax and deferred tax.

#### Current Tax

Current tax is the amount of income tax payable in respect of taxable profit for the year. Taxable profit differs from net

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

profit as reported in the statement of profit and loss because taxable profit is adjusted for items of income or expenses which are taxable or deductible in other years and also for items which are not taxable or deductible under the Income Tax Act, 1961 ("the IT Act").

The Company's liability for current tax is calculated using tax rates and tax laws in force.

### **Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit under the IT Act.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affects neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws in force. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity, in which case, the tax is recognised in other comprehensive income or directly in equity, respectively.

### **MAT**

Minimum Alternate Tax ('MAT') under the provisions of the IT Act is recognised as deferred tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such asset is reviewed at each Balance Sheet date.

### **xviii) Segment Reporting**

Operating segment is a component of an entity whose operating results are regularly reviewed by the Chief Operating Decision Maker (CODM) to make decision about resource to be allocated to the segment and assess its performance. The Company has no separate reportable segment.

### **xix) Statement of Cash Flow**

The Cash Flow Statement is prepared under 'Indirect Method'.

### **xx) Events after Reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions which existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### **xxi) Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the period.

For the purpose calculating Diluted Earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

**Note 2**

**TANGIBLE ASSETS**

(₹ in Lakhs)

Description	Gross Carrying Amount				Depreciation			Net Carrying Amount
	As at 01.04.2019	Additions	Deductions/ Adjustments	As at 31.03.2020	As at 01.04.2019	For the Year	Deductions / Adjustments	As at 31.03.2020
<b>A) PROPERTY, PLANT &amp; EQUIPMENT</b>								
Land - Free Hold	2,204.00	16.95	-	2,220.95	-	-	-	2,220.95
Factory Buildings	3,806.76	200.87	-	4,007.63	205.89	156.27	-	3,645.47
Residential Buildings	158.29	-	-	158.29	9.27	3.10	-	145.92
Plant & Machineries	10,155.45	1,121.52	57.58	11,219.39	2,821.67	1,379.50	39.25	7,057.47
Laboratory Equipments	231.21	32.83	-	264.04	50.90	28.01	-	185.13
Electrical Installations	113.65	-	-	113.65	14.32	11.28	-	88.05
Furniture & Fixtures	125.77	40.76	-	166.53	15.09	14.34	-	137.10
Office & Other Equipments	243.48	38.44	2.33	279.59	72.71	53.98	1.49	154.39
Vehicles	273.38	113.62	5.03	381.97	91.62	42.18	2.79	250.96
<b>Total</b>	17,311.99	1,564.99	64.94	18,812.04	3,281.47	1,688.66	43.53	13,885.44
<b>B) Capital Work - in - Progress</b>	87.28	74.08	147.84	13.52	-	-	-	13.52

(₹ in Lakhs)

Description	Gross Carrying Amount				Depreciation			Net Carrying Amount
	As at 01.04.2018	Additions	Deductions/ Adjustments	As at 31.03.2019	As at 01.04.2018	For the Year	Deductions / Adjustments	As at 31.03.2019
<b>A) PROPERTY, PLANT &amp; EQUIPMENT</b>								
Land - Free Hold	2,204.00	-	-	2,204.00	-	-	-	2,204.00
Factory Buildings	2,513.56	1,293.20	-	3,806.76	88.61	117.28	-	3,600.87
Residential Buildings	158.29	-	-	158.29	6.18	3.09	-	149.02
Plant & Machineries	7,696.17	2,484.38	25.10	10,155.45	1,560.81	1,272.01	11.15	7,333.78
Laboratory Equipments	110.32	120.89	-	231.21	29.04	21.86	-	180.31
Electrical Installations	67.80	45.85	-	113.65	5.16	9.16	-	99.33
Furniture & Fixtures	22.79	102.98	-	125.77	8.23	6.86	-	110.68
Office & Other Equipments	112.33	133.48	2.33	243.48	37.92	36.56	1.77	170.77
Vehicles	274.21	23.11	23.94	273.38	66.65	40.05	15.08	181.76
<b>Total</b>	13,159.47	4,203.89	51.37	17,311.99	1,802.60	1,506.87	28.00	14,030.52
<b>B) Capital Work - in - Progress</b>	547.92	1,042.60	1,503.24	87.28	-	-	-	87.28



**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

**C) INTANGIBLE ASSETS**

Description	Gross Carrying Amount				Amortisation			Net Carrying Amount	
	As at 01.04.2019	Additions	Deductions/ Adjustments	As at 31.03.2020	As at 01.04.2019	For the Year	Deductions/ Adjustments	As at 31.03.2020	As at 31.03.2020
Computer Software	109.16	3.10	-	112.26	33.66	23.12	-	56.78	55.48
<b>Total</b>	109.16	3.10	-	112.26	33.66	23.12	-	56.78	55.48

Description	Gross Carrying Amount				Amortisation			Net Carrying Amount	
	As at 01.04.2018	Additions	Deductions/ Adjustments	As at 31.03.2019	As at 01.04.2018	For the Year	Deductions/ Adjustments	As at 31.03.2019	As at 31.03.2019
Computer Software	82.29	26.87	-	109.16	14.19	19.47	-	33.66	75.50
<b>Total</b>	82.29	26.87	-	109.16	14.19	19.47	-	33.66	75.50

**D) RIGHT OF USE ASSETS\***

Description	Gross Carrying Amount				Amortisation			Net Carrying Amount	
	As at 01.04.2019	Additions	Deductions/ Adjustments	As at 31.03.2020	As at 01.04.2019	For the Year	Deductions/ Adjustments	As at 31.03.2020	As at 31.03.2020
Office Premises	-	64.10	-	64.10	-	24.56	-	24.56	39.54
<b>Total</b>	-	64.10	-	64.10	-	24.56	-	24.56	39.54

\* Refer Note 44 adoption of Ind As 116 "Leases".

**2.1 Details of additions on account of Foreign Exchange Differences and Borrowing costs:**

Particulars	Foreign Exchange Difference		Interest
	2019-20	2018-19	
Factory Buildings	-	-	18.84
Plant & Machineries	-	-	-

2.2 The details of property, plant & equipment hypothecated against borrowings are presented in Note 13.3 to 13.8.

2.3 The amount of contractual commitments for the acquisition of property, plant & equipment is disclosed in Note 29 B (i).

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

Note 3: INVESTMENTS	Nos.	Face Value	Non-Current	
			As at 31.03.2020	As at 31.03.2019
Investments in Equity Instruments				
Unquoted Equity Shares (Fully Paid up)				
i) Subsidiary (measured at cost, Note 1 (c) (vi))				
- Global Copper Private Limited (60%)	646,134	₹ 10	979.54	979.54
ii) Joint Venture (measured at cost, Note 1 (c) (vi))				
- R R Imperial Electricals Limited- Bangladesh (10%)	6,340,244	Taka 10	467.72	467.72
iii) Other Entity				
- R R Kabel Limited (measured at fair value and designated as FVOCI)	341,120	₹ 10	2,210.45	4,274.23
			<b>3,657.71</b>	<b>5,721.49</b>
Aggregate amount of unquoted investments at cost			<b>1,447.26</b>	<b>1,447.26</b>
Aggregate amount of unquoted investments at fair value			<b>2,210.45</b>	<b>4,274.23</b>
Aggregate value of impairment in value of investments			-	-

3.1 For estimated amount of capital commitments- Note 29 B (ii).

3.2 Information on financial information, Company's ownership interest and other information's of subsidiary and joint venture - Note 38 of the Consolidated Financial Statements.

(₹ in Lakhs)

Note 4A: LOANS	Non-Current	
	As at 31.03.2020	As at 31.03.2019
<b>Unsecured, Considered good :</b>		
Electricity & Other Security Deposits	7.61	6.41
Security Deposits*	12.77	13.32
Loan to Employees	1.40	2.01
	<b>21.78</b>	<b>21.74</b>

(₹ in Lakhs)

Note 4B: LOANS	Current	
	As at 31.03.2020	As at 31.03.2019
<b>Unsecured, Considered good :</b>		
Security Deposits*	11.59	10.67
Loan to Employees	22.52	12.93
	<b>34.11</b>	<b>23.60</b>

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
* Includes		
Security Deposit with Director	6.62	6.00
Security Deposit with a Private Limited Company in which one of the Director of the Company is Director and some of Directors of the Company are members	3.50	3.17

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

Note 5A: OTHER FINANCIAL ASSETS	Non-Current	
	As at 31.03.2020	As at 31.03.2019
<b>Unsecured, Considered good :</b>		
Share Application Money - Joint Venture	2.37	2.37
Term Deposits with bank held as margin money or security against Borrowing, Guarantees or other Commitments having maturity more than 12 months	0.47	0.47
	<b>2.84</b>	<b>2.84</b>

(₹ in Lakhs)

Note 5B: OTHER FINANCIAL ASSETS	Current	
	As at 31.03.2020	As at 31.03.2019
<b>Unsecured, Considered good :</b>		
Interest accrued on term deposits held as margin money or security against Borrowing, Guarantees or other Commitments	3.70	3.25
Others	3.45	1.07
	<b>7.15</b>	<b>4.32</b>

(₹ in Lakhs)

Note 6: INCOME TAX ASSETS (NET)	Non-Current	
	As at 31.03.2020	As at 31.03.2019
Advance payment of Income Tax (net)	88.45	46.73
	<b>88.45</b>	<b>46.73</b>

(₹ in Lakhs)

Note 7A: OTHER ASSETS	Non-Current	
	As at 31.03.2020	As at 31.03.2019
<b>Unsecured, Considered good :</b>		
Capital Advances	122.54	80.31
Other Advances :		
Balances with government authorities		
Cenvat Credit Receivable	37.04	47.31
Vat Receivable	376.19	538.29
Advance receivable in cash or in kind	13.79	16.92
	<b>549.56</b>	<b>682.83</b>

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

Note 7B: OTHER ASSETS	Current	
	As at 31.03.2020	As at 31.03.2019
<b>Unsecured, Considered good :</b>		
Other Advances :		
Balances with government authorities		
Cenvat Credit Receivable	-	0.59
GST Receivable	430.39	594.16
Export Incentives Receivable	189.55	121.03
Excise Duty Refundable	22.23	13.50
Advance receivable in cash or in kind	141.80	213.53
Advances to Suppliers	653.64	2,016.90
Advance to Employees (net)	0.30	0.24
	<b>1,437.91</b>	<b>2,959.95</b>

(₹ in Lakhs)

Note 8: INVENTORIES	Current	
	As at 31.03.2020	As at 31.03.2019
Raw Materials	729.03	2,116.28
Raw Material-in-Transit	1,395.59	1,224.08
Work-in-Progress	1,431.53	913.52
Finished Goods	2,897.92	1,247.92
Finished Goods-in-Transit	1,197.99	2,765.76
<b>Others:</b>		
Packing Materials (Including in Transit NIL ; P.Y. ₹ 4.72 Lakhs)	79.90	97.12
Scrap (Including in Transit NIL ; P.Y. ₹ 18.55 Lakhs)	80.03	82.76
Consumable Stores & Spares	34.65	39.39
Fuel	10.10	20.01
	<b>7,856.74</b>	<b>8,506.84</b>

8.1 The cost of inventories recognised as an expense during the year is disclosed in Note 23 and 24.

8.2 The cost of inventories written down during the year NIL (P.Y. NIL).

8.3 The inventories are hypothecated as the security as disclosed in Note 13.

(₹ in Lakhs)

Note 9: TRADE RECEIVABLES	Current	
	As at 31.03.2020	As at 31.03.2019
Secured- considered good	799.28	1,568.88
Unsecured- considered good	18,068.16	18,833.30
Unsecured- credit impaired	330.24	247.91
Unsecured- significant increase in credit risk	209.90	-
	<b>19,407.58</b>	<b>20,650.09</b>
Less: Allowance for credit impaired (doubtful debts)	330.24	247.91
Less: Allowance for significant increase in credit risk (doubtful debts)	209.90	-
	<b>18,867.44</b>	<b>20,402.18</b>

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

9.1 Due from Directors, Firm or Private Limited Company	As at 31.03.2020	As at 31.03.2019
Due from a Firm in which a Director of the Company is a Partner	132.58	447.16

9.2 Trade Receivables are generally non-interest bearing with credit period of 30 days to 90 days.

9.3 The Trade Receivables are net of collection under channel financing facility arranged by the Company for its customers from bank to the tune of ₹ 4,795.47 Lakhs (P.Y. ₹ 6,709.97 Lakhs). Also refer Note 29.2.

9.4 The Company's exposure to credit risk, currency risk and market risk related to trade receivables are disclosed in Note 38 (C).

9.5 Accounting policies on financial instruments - Note 1 (C) (viii)

(₹ in Lakhs)

Note 10A: CASH AND BANK BALANCES	Non-Current	
	As at 31.03.2020	As at 31.03.2019
<b>Other Balance with Banks</b>		
Term Deposits held as Margin money or security against Borrowing, Guarantees or other Commitments having maturity more than 12 months	0.47	0.47
Less: Amount included under the head Other Financial Assets	0.47	0.47
	-	-

(₹ in Lakhs)

Note 10B: CASH AND BANK BALANCES	Current	
	As at 31.03.2020	As at 31.03.2019
<b>(A) Cash &amp; Cash Equivalents</b>		
(a) Balance with Banks		
Current Accounts	81.20	713.60
Cheques, draft on hand	-	-
(b) Cash on hand	1.78	1.69
	82.98	715.29
<b>(B) Other Balance with Banks</b>		
(a) Unclaimed Dividend Accounts*	30.11	27.89
(b) Term deposits held as margin money or security against Borrowing, Guarantees or other Commitments	61.10	57.69
	91.21	85.58

\* The Company can utilise these balances only towards settlement of unclaimed dividend.

(₹ in Lakhs)

Note 11: EQUITY SHARE CAPITAL	As at 31.03.2020	As at 31.03.2019
<b>Authorised Capital</b>		
30,000,000 Equity Shares of ₹ 5/- each	1,500.00	1,500.00
<b>Issued, Subscribed and Paid Up Capital</b>		
22,000,000 Equity Shares of ₹ 5/- each fully paid-up	1,100.00	1,100.00
	1,100.00	1,100.00

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### 11.1 Reconciliation of Equity Shares outstanding at the beginning & at the end of the year

Fully Paid up Equity Shares	As at 31.03.2020		As at 31.03.2019	
	Number	₹ in Lakhs	Number	₹ in Lakhs
As at the beginning of the year	22,000,000	1,100.00	22,000,000	1,100.00
Add/(Less) : Change during the year	-	-	-	-
As at the end of the year	22,000,000	1,100.00	22,000,000	1,100.00

### 11.2 Details of Shareholders holding more than 5% Equity Shares #

Name of Shareholder	As at 31.03.2020		As at 31.03.2019	
	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Ram Ratna Research & Holdings Private Limited	3,400,000	15.45	3,400,000	15.45
Mahendrakumar Kabra	1,867,966	8.49	1,867,966	8.49
TMG Global FZCO	1,400,000	6.36	1,400,000	6.36
Rameshwarlal Kabra - As Karta of Rameshwarlal Kabra (HUF)	1,241,000	5.64	1,241,000	5.64

# As per the records of the company, including its register of members

### 11.3 Terms/ rights attached to Equity Shares

The Company has only one class of shares referred to as equity shares having face value of ₹ 5/- per share. Each holder of equity shares is entitled to one vote per share. The Dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

As per the Companies Act, 2013 the holders of equity shares will be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts in the event of the liquidation of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

11.4 The Board of Directors of the Company have proposed a dividend of ₹ 0.50/- per equity share of face value of ₹ 5/- each for the year ending 31<sup>st</sup> March, 2020 (P.Y. ₹ 1.25/- per equity share) subject to approval of members at the forthcoming Annual General Meeting.

(₹ in Lakhs)

Note 12: OTHER EQUITY	Reserves and Surplus			Equity Instruments through OCI	Total
	Security Premium	General Reserve	Retained Earnings		
<b>Balance as at 1<sup>st</sup> April, 2018 (A)</b>	763.20	513.00	9,470.26	4,752.48	<b>15,498.94</b>
Additions during the year					
Profit for the year	-	-	1,596.82	-	<b>1,596.82</b>
Add/(Less) : Items of OCI for the year, net of tax :					
Remeasurement benefit of defined benefits plans	-	-	1.63	-	<b>1.63</b>
Net fair value gain on investment in equity instruments through OCI	-	-	-	388.01	<b>388.01</b>
Add/(Less) : Reclassification of gain on disposal of investment in equity instruments through OCI	-	-	1,869.26	(1,869.26)	-
<b>Total Comprehensive Income For the year 2018-19 (B)</b>	-	-	3,467.71	(1,481.25)	<b>1,986.46</b>
Reductions during the year					
Dividends	-	-	(275.00)	-	<b>(275.00)</b>
Income Tax on Dividend	-	-	(56.53)	-	<b>(56.53)</b>
Transfer to General Reserve	-	-	-	-	-
<b>Total (C)</b>	-	-	(331.53)	-	<b>(331.53)</b>

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

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

**12.1 Security Premium**

Security premium is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**12.2 General Reserve**

General Reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. Under the Companies Act, 2013 there is no mandatory requirement for transfer of a specific percentage of net profit to general reserve which was required under the erstwhile Companies Act, 1956.

**12.3 Equity Instruments through Other Comprehensive Income (OCI)**

This represents the cumulative gains/(losses) arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, it will be reclassified to retained earnings when such assets are disposed off.

(₹ in Lakhs)

Note 13A: BORROWINGS	Non-Current	
	As at 31.03.2020	As at 31.03.2019
<b>Secured</b>		
Term Loans from Bank		
Rupee Loans	<b>3,812.76</b>	4,068.83
Vehicle Loans	<b>49.61</b>	10.39
<b>Unsecured</b>		
Loan from Directors	<b>300.59</b>	370.62
Loan from Promoters & Relatives	<b>702.19</b>	702.19
Inter Corporate Loan	<b>34.00</b>	34.00
	<b>4,899.15</b>	5,186.03



**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

Note 13B: BORROWINGS	Current	
	As at 31.03.2020	As at 31.03.2019
<b>Secured</b>		
Working Capital Loans		
From Banks		
Ruppee Loans		
Short Term	8,534.94	12,226.83
Repayable on demand	2,751.61	2,800.57
<b>Unsecured</b>		
Working Capital Loans		
From Banks		
Ruppee Loans - Short Term	5,398.21	4,388.26
From Financial Institution		
Ruppee Loans	-	744.17
	<b>16,684.76</b>	<b>20,159.83</b>

(₹ in Lakhs)

Note 13.1: Term Loans	Rate of Interest	As at 31.03.2020	As at 31.03.2019
Term Loan I - 9 Quarterly Installments	MCLR+ 0.95%	1,649.66	2,248.54
Term Loan II - 12 Quarterly Installments	MCLR+ 0.95%	974.68	1,299.37
Term Loan III - 6 Quarterly Installments	MCLR+ 0.95%	285.00	475.00
Term Loan IV - 14 Quarterly Installments	MCLR+ 0.80%	3,245.40	1,496.28
		<b>6,154.74</b>	<b>5,519.19</b>
Less : Current maturities of long term borrowing under "Other Financial Liabilities" (Note 14B)		<b>2,341.98</b>	<b>1,450.36</b>
		<b>3,812.76</b>	<b>4,068.83</b>

(₹ in Lakhs)

Note 13.2: Vehicle Loans	Rate of Interest	As at 31.03.2020	As at 31.03.2019
Vehicle Loan - I - 8 Monthly Installments	10.50% p.a	0.71	1.68
Vehicle Loan - II - 29 Monthly Installments	8.85% p.a.	9.68	13.13
Vehicle Loan - III - 53 Monthly Installments	9.20% p.a.	54.15	-
		<b>64.54</b>	<b>14.81</b>
Less : Current maturities of long term borrowing under "Other Financial Liabilities" (Note 14B)		<b>14.93</b>	<b>4.42</b>
		<b>49.61</b>	<b>10.39</b>

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### 13.3 The Term loans are secured by:

- First pari passu charge on immovable assets of the Company located at Survey No. 212/2 and Survey No. 316 at Dadra and Nagar Haveli, Survey No. 16/1 at Village Sayli, Silvassa and Survey No. 205, 206, 207/1, 207/2, 193/1, 193/2 and 327/2/P2 at Waghodia, Dist Vadodara.
- First pari passu charge on both present and future movable assets (except vehicles) of the Company.
- Second pari passu charge on entire current assets of the Company both present and future.
- Personal guarantees of Managing Director and Joint Managing Director of the Company and their relative.

### 13.4 The working capital loans are secured by:

- First pari passu charge on entire current assets of the Company both present and future.
- Second pari passu charge on immovable assets of the Company located at Survey No. 212/2 and Survey No. 316 at Dadra and Nagar Haveli, Survey No. 16/1 at Village Sayli, Silvassa and Survey No. 205, 206, 207/1, 207/2, 193/1, 193/2 and 327/2/P2 at Waghodia, Dist Vadodara and both present and future movable assets (except vehicles) of the Company.
- Personal guarantees of Managing Director and Joint Managing Director of the Company and their relative.

**13.5** Personal guarantees have been given by the Managing Director and Joint Managing Director of the Company for unsecured working capital loans from banks and financial institution.

**13.6** Vehicle loans are secured by way of hypothecation of specific vehicle.

**13.7** Other Unsecured Loans carry interest rates from 10% to 11% with different tenures.

**13.8** Charges with respected to secured borrowing has been created in favour of security trustee. No separate charge created for each of the borrowing.

**13.9** In terms of COVID-19 Regulatory Package (“the Package”) announced by Reserve Bank of India (RBI) on 27<sup>th</sup> March, 2020, the Company has applied for availing moratorium of three months (the Payment Deferment) for payment of term loans installments within the period and in accordance with the terms, specified in the Package. The application for availing of this moratorium has been made by way of abundant caution despite there being sufficient credit limits and liquidity being available with the Company to meet its obligations of term loans installments. This has been done in view of future uncertainties about economic conditions, duration of lockdown, immediate collectability of receivables, temporary close down of factories and business etc. and considering the fact that the aggregate payment of term loans installments of ₹ 187.50 lakhs and ₹ 81.25 lakhs were due on 31<sup>st</sup> March, 2020 for Term Loan I and 3<sup>rd</sup> April, 2020 for Term Loan II, respectively. Pending the internal process prescribed in the Package and approval of application at lender’s end, the amount of ₹ 37.11 lakhs has been adjusted by the lender from the available balance, against the installments due for Term Loan I and the balance amount of ₹ 150.39 lakhs upto 11<sup>th</sup> of April, 2020 including installments of ₹ 81.25 lakhs due on 3<sup>rd</sup> April, 2020. On the partial resumption of manufacturing activities at the factory w.e.f. 9<sup>th</sup> April, 2020, considering actual collection and expected collection and availability of credit limits, the Company has requested lender for withdrawal of the application for the Payment Deferment however, the Company was initially informed that withdrawal is not permissible. The application for the Payment Deferment stands processed at lenders end in terms of RBI guidelines and the payments made against above term loan installments have been returned to the Company on 30<sup>th</sup> April, 2020. Finally, the amount due against the above installments have been collected by the lender on 18<sup>th</sup> June, 2020 and the account is regularised without any deferment in terms of the Package. The remaining installments of term loans due in the financial year 2020-21 will be payable as per original schedule and accordingly amount payable towards these future instalments including the balance of installments due as on reporting date have been classified into current maturities and balance outstanding reported in non-current liabilities which will be due for payment after 1<sup>st</sup> April, 2021. To the extent of ₹ 150.39 lakhs there is a mismatch in amount reported as current maturity in the financial statement for the year 2019-20 and actual payment made during the year.

**13.10** Default in terms of repayment of Principal and Interest - NIL

(₹ in Lakhs)

Note 14A: OTHER FINANCIAL LIABILITIES	Non-Current	
	As at 31.03.2020	As at 31.03.2019
Lease Liabilities (Note 44)	18.88	-
	18.88	-

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

Note 14B: OTHER FINANCIAL LIABILITIES	Current	
	As at 31.03.2020	As at 31.03.2019
<b>Current maturities of long term borrowings</b>		
Rupee Loans (Note 13.1)	2,341.98	1,450.36
Vehicle Loans (Note 13.2)	14.93	4.42
<b>Investor Education &amp; Protection Fund</b>		
Unclaimed dividends*	30.11	27.89
<b>Other Payables :</b>		
Retention Money relating to capital expenditure	-	5.00
Interest accrued and due	143.53	135.21
Interest accrued but not due	-	3.90
Accrued Salary & Benefits **	204.38	175.09
Creditors for Expenses	663.12	862.94
Forward Exchange Contracts (Net)	53.93	32.66
Creditors for Capital Expenditure	112.78	256.08
Lease Liabilities ( Note 44)	20.60	-
Other Payable	13.39	7.42
	<b>3,598.75</b>	<b>2,960.97</b>

\* There is no amount due and outstanding to be transferred to the Investor Education & Protection Fund (IEPF) as at 31<sup>st</sup> March, 2020. Unclaimed Dividends, shall be transferred to IEPF as and when they become due.

\*\* Includes amount of ₹ 12.82 Lakhs (P.Y. ₹ 63.27 Lakhs) payable to the Managing Director on account of Commission on profit.

(₹ in Lakhs)

Note 15A: PROVISIONS	Non-Current	
	As at 31.03.2020	As at 31.03.2019
<b>Provision for Employee Benefits</b>		
- Leave Encashment (Note 36)	101.39	81.56
	<b>101.39</b>	<b>81.56</b>

(₹ in Lakhs)

Note 15B: PROVISIONS	Current	
	As at 31.03.2020	As at 31.03.2019
<b>Provision for Employee Benefits</b>		
- Leave Encashment (Note 36)	34.20	22.52
	<b>34.20</b>	<b>22.52</b>

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

Note 16: INCOME TAXES	As at 31.03.2020	As at 31.03.2019
<b>A. The major components of income tax expenses for the year are as under :</b>		
<b>(i) Income Tax Expenses recognised in the Statement of Profit &amp; Loss</b>		
<b>(a) Current Tax :</b>		
In respect of current year	521.09	723.18
Short/(Excess) provision of earlier years	(39.54)	13.92
<b>(b) Deferred Tax :</b>		
In respect of current year	(269.81)	108.69
	<b>211.74</b>	<b>845.79</b>
<b>(ii) Income tax expenses recognised in the OCI</b>		
<b>Deferred Tax :</b>		
Deferred Tax on fair value of equity instruments through OCI	(476.06)	(440.63)
Deferred Tax on remeasurements of defined benefit plans	(10.22)	0.87
	<b>(486.28)</b>	<b>(439.76)</b>
<b>B. Reconciliation of estimated income tax expenses and the accounting profit for the year is as under:</b>		
Profit before tax :	1,638.04	2,442.61
Statutory Income Tax rates in India ( Note 16.1)	25.17%	34.94%
Expected Income tax expense at statutory income tax rate	412.27	853.54
Tax effect on non deductible expenses	151.36	149.16
Effect of income that is exempted from tax	(11.16)	(14.54)
Others	(31.38)	(264.98)
Current Tax expense as per Statement of Profit and Loss for the year	<b>521.09</b>	<b>723.18</b>

16.1 During the year, the Company has opted lower tax rate under section 115BAA of the Income Tax Act, 1961 as inserted vide Taxation Laws (Amendment) Act, 2019.

(₹ in Lakhs)

C: The major components of deferred tax liabilities/ (assets) are as follows:	As at 31.03.2019	Profit and Loss 2019-20	OCI 2019-20	As at 31.03.2020
<b>Deferred Tax Liabilities</b>				
Difference between written down value/ capital work in progress of property, plant & equipment and intangible assets as per the books of accounts & Income Tax Act, 1961	810.53	(278.03)	-	532.50
Others	26.80	(2.79)	-	24.01
Difference in carrying value and tax base of investments in equity measured at FVTOCI	980.89	-	(476.06)	504.83
<b>Deferred Tax Assets</b>				
Provision for expenses allowed for tax purpose on payment basis (net)	(96.51)	47.96	-	(48.55)
Allowance for doubtful debts	(86.64)	(49.31)	-	(135.95)
Difference in Right-of-use asset and lease liabilities	-	(0.58)	-	(0.58)
Deposit	(0.13)	0.06	-	(0.07)
Others	(12.88)	12.88	-	-
Remeasurement benefit of defined benefit plans	(6.47)	-	(10.22)	(16.69)
Deferred Tax Expenses/ (benefit)		<b>(269.81)</b>	<b>(486.28)</b>	
Net Deferred Tax Liabilities	1,615.59			<b>859.50</b>

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

Note 17: DEFERRED INCOME	Non-Current	
	As at 31.03.2020	As at 31.03.2019
Grants Related to property, plant & equipment	65.47	110.11
	65.47	110.11

- 17.1 Grants relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. Such grants are recognised in the statement of profit and loss based on fulfilment of related export obligations.

(₹ in Lakhs)

Note 18: TRADE PAYABLES	Current	
	As at 31.03.2020	As at 31.03.2019
<b>Trade Payables</b>		
Micro, Small & Medium Enterprises (Note 31)	32.44	81.74
Others	2,185.01	4,440.26
	2,217.45	4,522.00

(₹ in Lakhs)

Note 19: OTHER LIABILITIES	Current	
	As at 31.03.2020	As at 31.03.2019
<b>Revenue Received in advance</b>		
Contract Liabilities (Note 40)	383.29	399.65
<b>Others</b>		
Statutory Taxes/ dues Payable		
Towards Provident Fund and Professional Tax	20.13	17.76
Towards TDS/TCS Payable	25.01	36.80
	428.43	454.21

(₹ in Lakhs)

Note 20: CURRENT TAX LIABILITIES (NET)	Current	
	As at 31.03.2020	As at 31.03.2019
Provision for Income Tax (net of Advance Tax)	77.65	-
	77.65	-

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

<b>Note 21: REVENUE FROM OPERATIONS</b>	<b>2019-20</b>	<b>2018-19</b>
<b>Sale of Products</b>	<b>124,045.17</b>	123,011.31
<b>Other Operating Revenues :</b>		
Sale of Scrap	1,179.24	1,595.73
Processing Charges	93.06	200.15
Export Incentive	116.42	110.53
Grant related to property, plant & equipment (EPCG)	86.31	88.92
Bad Debts Recovered	28.08	7.00
	<b>1,503.11</b>	2,002.33
	<b>125,548.28</b>	125,013.64

(₹ in Lakhs)

<b>Note 22: OTHER INCOME</b>	<b>2019-20</b>	<b>2018-19</b>
<b>Interest Income on Financial assets carried at amortised cost</b>		
Bank Deposits	4.27	3.98
Others	93.77	77.13
<b>Dividend Income</b>		
Dividend from unquoted equity investments measured at fair value through OCI	44.34	41.60
Sundry Balances Written Back	7.05	5.68
Workers' Quarters Rent	24.62	26.85
Guarantee Commission	59.52	77.09
Net Foreign Exchange Gain	155.48	107.00
Miscellaneous Income	19.34	2.12
	<b>408.39</b>	341.45

(₹ in Lakhs)

<b>Note 23: COST OF MATERIALS CONSUMED</b>	<b>2019-20</b>	<b>2018-19</b>
<b>Raw Materials Consumption</b>		
Copper	104,545.99	107,440.38
Others	6,496.37	6,221.11
Packing Materials	1,206.12	1,236.86
	<b>112,248.48</b>	114,898.35

23.1 For determination of cost (Note 1(c)(vii))

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

		(₹ in Lakhs)	
<b>Note 24: CHANGE IN INVENTORIES</b>		<b>2019-20</b>	<b>2018-19</b>
<b>Inventories at the end of the year</b>			
Finished Goods		2,897.92	1,247.92
Finished Goods in Transit		1,197.99	2,765.76
Work-in-Progress		1,431.53	913.52
Scrap (including in Transit NIL ; P.Y. ₹18.55 Lakhs)		80.03	82.76
	(A)	5,607.47	5,009.96
<b>Less:- Inventories at the beginning of the year</b>			
Finished Goods		1,247.92	310.97
Finished Goods in Transit		2,765.76	121.12
Work-in-Progress		913.52	744.11
Scrap (including in Transit ₹18.55 Lakhs ; P.Y. NIL)		82.76	230.43
	(B)	5,009.96	1,406.63
	(B-A)	(597.51)	(3,603.33)

		(₹ in Lakhs)	
<b>Note 25: EMPLOYEE BENEFITS EXPENSE</b>		<b>2019-20</b>	<b>2018-19</b>
Salaries, Wages and Incentives		2,599.29	2,369.22
Directors' Remuneration*		146.91	173.27
Contributions to -			
Provident Fund (Note 36- B)		130.81	114.00
Gratuity Fund (Note 36- A)		43.18	34.63
Staff Welfare Expenses		107.29	85.81
		3,027.48	2,776.93

\* Including Managing Director's Commission ₹ 12.82 Lakhs (P.Y. ₹ 63.27 Lakhs).

		(₹ in Lakhs)	
<b>Note 26: FINANCE COSTS</b>		<b>2019-20</b>	<b>2018-19</b>
<b>Interest on financial liabilities carried at amortised cost</b>			
Interest on Borrowings		2,222.52	2,315.04
Other Borrowing costs		28.18	125.35
Interest on Lease liabilities (Note 44)		4.52	-
Net loss on foreign currency borrowing transactions and translation		-	1.86
Interest on Income Tax		11.86	-
		2,267.08	2,442.25

		(₹ in Lakhs)	
<b>Note 27: DEPRECIATION AND AMORTISATION EXPENSE</b>		<b>2019-20</b>	<b>2018-19</b>
Depreciation of Property, Plant & Equipment (Note 2A)		1,688.66	1,506.87
Amortisation of Intangible Assets (Note 2C)		23.12	19.47
Depreciation of Right of Use Assets (Note 2D) ( Note 44)		24.56	-
		1,736.34	1,526.34



**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

	(₹ in Lakhs)	
<b>Note 28: OTHER EXPENSES</b>	<b>2019-20</b>	2018-19
Auditor's Remuneration (Note 30)	33.15	32.40
Bank Charges	35.72	23.96
Consumption of Consumable Stores and Spares	345.32	332.68
Power and Fuel	2,412.55	2,082.26
Freight & Handling Charges	1,124.34	1,144.93
Corporate Social Responsibility Expenses (Note 33)	67.01	59.00
Donations (Note 34.4)	164.92	40.00
Insurance	38.75	47.41
Loss/(Gain) on Sale of Property Plant & Equipment	9.00	(10.43)
Legal & Professional Fees	101.72	77.28
Allowance for doubtful debts		
Allowance provided during the year	292.23	150.10
Amount written off	124.87	2.35
Rent (Note 44)	6.39	25.02
<b>Repairs and Maintenance of :</b>		
Buildings	64.14	21.40
Plant and Machinery	280.96	290.19
Others	39.25	36.27
Rates and Taxes	45.73	52.50
Commission on Sales	104.16	93.73
Business Promotion	23.11	50.16
Travelling	80.67	78.56
Miscellaneous Expenses	242.77	242.17
	<b>5,636.76</b>	4,871.94

	(₹ in Lakhs)	
<b>Note 29 : CONTINGENT LIABILITIES AND COMMITMENTS</b>	<b>As at 31.03.2020</b>	As at 31.03.2019
<b>A. Contingent Liabilities</b>		
Claims against the Company not acknowledged as debts		
Excise & Service Tax Demands (Note 29.1)	781.18	774.03
<b>B. Commitments</b>		
(i) Estimated amount of contracts remaining to be executed and not provided for - On Capital Account (Net of advance)	73.37	282.97
(ii) Estimated amount of Investment - in Joint Venture (Jointly Controlled Entity)	95.28	70.13
iii) Letter of credit and bank guarantees issued by the banks	541.95	546.15
iv) For Lease commitment (Note 44)		
v) For derivative contract (Note 35)		

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

- 29.1 The Company is contesting the demands and the management, including its tax advisors, believe that the companies position will likely to be upheld in the appellate process and accordingly, no provision has been made in the financial statements for the tax demands raised. The management believes that the ultimate outcome of these proceedings will not have material adverse effect on the Company's financial position and results of operations.
- 29.2 The Company has arranged Channel Finance facility with recourse for its customers from bank against which sum of ₹ 4,988.11 Lakhs (P.Y. ₹ 6,829.02 Lakhs) has been utilised as on the date of balance sheet and correspondingly, the trade receivables stand reduced by ₹ 4,795.47 Lakhs (P.Y. ₹ 6,709.97 Lakhs) (net of advance).

(₹ in Lakhs)

<b>Note 30: AUDITOR'S REMUNERATION (EXCLUDING GST)</b>	<b>2019-20</b>	<b>2018-19</b>
Statutory Audit Fees	<b>29.00</b>	29.00
Others	<b>4.15</b>	3.40
	<b>33.15</b>	32.40

(₹ in Lakhs)

<b>Note 31: Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>	<b>2019-20</b>	<b>2018-19</b>
Principal amount remaining unpaid to suppliers as at the end of the accounting year	<b>57.51</b>	106.41
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	<b>0.02</b>	0.11
The amount of interest paid along with the amounts of the payment made to the suppliers beyond the appointed due day during the year	-	-
The amount of interest due and payable for the year	<b>0.10</b>	0.43
The amount of interest accrued and remaining unpaid at the end of the accounting year	<b>0.53</b>	0.43
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(₹ in Lakhs)

<b>Summary of Principal amount remaining unpaid to suppliers as at the end of the accounting year</b>	<b>2019-20</b>	<b>2018-19</b>
Trade Payables	<b>32.44</b>	81.74
Creditors for Capital Expenditure	<b>1.68</b>	22.13
Creditors for Expenses	<b>23.39</b>	2.54
	<b>57.51</b>	106.41

(₹ in Lakhs)

<b>Note 32: DIVIDEND</b>	<b>2019-20</b>	<b>2018-19</b>
Dividend on equity shares paid during the year at ₹ 1.25/- (P.Y. ₹ 1.25/-) per equity share of ₹ 5/- each	<b>275.00</b>	275.00
Dividend distribution tax on dividend	<b>56.53</b>	56.53

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### Proposed Dividend :

The Board of Directors at its meeting held on 29<sup>th</sup> July, 2020 have recommended a payment of dividend of ₹ 0.50/- per equity share of face value of ₹ 5/- each for the financial year ended 31<sup>st</sup> March, 2020. The same amounts to ₹ 110.00 Lakhs. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

### Dividend Distribution Tax (DDT) :

The Finance Act, 2020 has abolished Dividend Distribution Tax (DDT) and with effect from 1<sup>st</sup> April, 2020 dividend declared and distributed by the companies would be taxable in the hands of shareholders. Accordingly, henceforth there will be no liability on the Company account of DDT on payment of dividend.

### Note 33: Expenditure on Corporate Social Responsibility initiatives

- a) Gross amount required to be spent by the Company during the year as per the provisions of section 135 of the Companies Act, 2013

Particulars	2019-20	2018-19
2% of the average net profit for last three financial years, calculated as per section 198 of the Companies Act 2013	66.97	59.47
Less : Amount Spent during the year		
i) Construction/acquisition of any asset of the Company	-	-
ii) On purposes other than (i) above		
- Promotion of Education*	60.00	51.00
- Promotion of Sports	4.01	3.00
- Hostels for Orphanage	3.00	-
- Welfare of Children	-	5.00
<b>Balance unspent Amount</b>	<b>(0.04)</b>	0.47

\* Included Contribution of ₹ 60 Lakhs (P.Y - Nil) has been made to a Charitable Trust in which some of the Directors of the Company and their relatives are Trustee.

### Note 34: Disclosure in respect of Related Parties pursuant to Ind AS- 24 " Related Party Disclosures"

List of Related Parties with whom transactions have taken place - (as certified by Management)

#### a) Key Management Personnel

Shri Tribhuvanprasad Kabra	- Chairman (resigned as M.D. w.e.f. 30 <sup>th</sup> May, 2019)
Shri Mahendrakumar Kabra	- Managing Director
Shri Hemant Kabra	- CFO & Executive Director

#### Non Executive Directors

Dr. Ajai Singh	Shri Prashant Deshpande (retired w.e.f. 12 <sup>th</sup> Feb, 2020)
Shri Ramesh Chandak	Shri Upendra Kamath
Shri Sandeep Jhanwar	Smt. Kirtidevi Kabra
Shri R. Kannan	

#### b) Close Family Members of Key Management Personnel

Shri Rameshwarlal Kabra (Appointed as Chairman emeritus w.e.f. 17 <sup>th</sup> Sept, 2019)	- Father of Shri Tribhuvanprasad Kabra & Shri Mahendrakumar Kabra
Smt. Ratnadevi Kabra	- Mother of Shri Tribhuvanprasad Kabra & Shri Mahendrakumar Kabra
Shri Shreegopal Kabra	- Brother of Shri Tribhuvanprasad Kabra & Shri Mahendrakumar Kabra
Smt. Umadevi Kabra	- Wife of Shri Tribhuvanprasad Kabra
Shri Mahhesh Kabra	- Son of Shri Tribhuvanprasad Kabra
Shri Sumeet Kabra	- Son of Shri Mahendrakumar Kabra

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### c) Entities over which Key Management Personnel and their close family members are able to exercise significant influence

MEW Electricals Ltd.	R R Kabel Ltd.
Ram Ratna International	Ram Ratna Research & Holdings Pvt. Ltd.
Kabel Buildcon Solutions Pvt. Ltd.	Shreegopal Kabra (HUF)
Ram Ratna Electricals Ltd.	Rameshwarlal Kabra (HUF)
Ram Ratna Infrastructure Pvt. Ltd.	Jag-Bid Finvest Pvt. Ltd.
Pratik Wire & Cable Machines Pvt. Ltd.	Gallery Retail LLP
TMG Global Fzco.	

### d) Subsidiary & Joint Arrangement

Global Copper Pvt. Ltd.	- Subsidiary
RR-Imperial Electricals Ltd. (Bangladesh)	- Jointly Controlled Entity

### e) Other Related Party

Ram Ratna Wires Limited Emp Group Gratuity Scheme	- Post Employment Benefit Plan Entity
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### Transactions with the related parties in the ordinary course of business (Excluding Reimbursement)

(₹ in Lakhs)

Particulars	Referred in		Referred in		Referred in	
	(a) above		(b) above		(c), (d) & (e) above	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Purchases: Goods and Services</b>						
R R Kabel Ltd.	-	-	-	-	295.82	16.91
MEW Electricals Ltd.	-	-	-	-	8.63	98.01
Ram Ratna International	-	-	-	-	27.79	30.58
Ram Ratna Electricals Ltd.	-	-	-	-	0.61	0.40
Pratik Wire & Cable Machines Pvt. Ltd.	-	-	-	-	-	40.95
Gallery Retail LLP	-	-	-	-	-	1.15
<b>Sales: Goods and Services</b>						
R R Kabel Ltd.	-	-	-	-	2.78	6.46
Ram Ratna International	-	-	-	-	3,673.09	3,314.26
MEW Electricals Ltd.	-	-	-	-	24.82	15.48
Global Copper Pvt.Ltd.	-	-	-	-	102.21	72.31
<b>Capital Goods:</b>						
R R Kabel Ltd. (Purchases)	-	-	-	-	29.91	64.45
Ram Ratna Electricals Ltd. (Purchases)	-	-	-	-	0.74	15.68
<b>Income :</b>						
Interest on security deposits (Rent)	0.63	0.57	0.77	0.69	0.91	1.01
<b>Expenses:</b>						
Rent/Lease Liabilities payment (Including GST)	2.40	2.99	4.59	5.13	26.40	18.04
Interest on unsecured loans	30.28	34.82	70.39	48.07	3.75	7.69
<b>Directors :</b>						
Sitting Fees	12.60	13.40	-	1.30	-	-
Remuneration – Shri Mahendrakumar Kabra	99.91	131.27	-	-	-	-
Remuneration– Shri Hemant Kabra (Note 34.1)	47.00	42.00	-	-	-	-

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

Particulars	Referred in		Referred in		Referred in	
	(a) above		(b) above		(c), (d) & (e) above	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Dividend :</b>						
Dividend Paid	42.69	42.69	36.78	36.78	109.11	109.11
Dividend Received	-	-	-	-	44.35	41.60
<b>Contribution Made :</b>						
Ram Ratna Wires Limited Emp Group Gratuity Scheme	-	-	-	-	59.38	60.09
<b>Finance &amp; Investment:</b>						
R R Kabel Ltd. Sale of Investment	-	-	-	-	-	1,932.49
<b>Deposits / Loans Accepted</b>						
Ram Ratna Research & Holdings Pvt. Ltd.	-	-	-	-	-	14.00
Shri Rameshwarlal Kabra	-	-	-	41.00	-	-
Shri Tribhuvanprasad Kabra	-	68.00	-	-	-	-
Shri Mahendrakumar Kabra	-	122.00	-	-	-	-
Smt. Kirtidevi Kabra	-	123.00	-	-	-	-
Smt. Ratnidevi Kabra	-	-	-	190.00	-	-
Smt. Umadevi Kabra	-	-	-	135.00	-	-
Shri Shreegopal Kabra	-	-	-	15.00	-	-
<b>Deposits / Loans Repaid</b>						
Ram Ratna Research & Holdings Pvt. Ltd.	-	-	-	-	-	40.00
Shri Rameshwarlal Kabra	-	-	63.03	-	-	-
Shri Tribhuvanprasad Kabra	-	150.00	-	-	-	-
Shri Mahendrakumar Kabra	7.00	-	-	-	-	-
Smt. Umadevi Kabra	-	-	-	55.92	-	-

(₹ in Lakhs)

Particulars	Referred in		Referred in		Referred in	
	(a) above		(b) above		(c), (d) & (e) above	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Outstanding as at</b>						
<b>Rental Deposits</b>						
Smt. Umadevi Kabra	-	-	8.09	7.32	-	-
Shri Hemant Kabra	6.62	6.00	-	-	-	-
Shreegopal Kabra (HUF)	-	-	-	-	6.15	7.50
Kabel Buildcon Solutions Pvt. Ltd.	-	-	-	-	3.50	3.17
<b>Trade and Others - Net (Payable) / Receivable</b>						
Ram Ratna International	-	-	-	-	128.33	438.97
MEW Electricals Ltd.	-	-	-	-	(0.12)	-
Kabel Buildcon Solutions Pvt. Ltd.	-	-	-	-	(0.36)	-
Shri Shreegopal Kabra	-	-	(0.04)	-	-	-
Lease Liabilities	(2.27)	-	(2.15)	-	(16.18)	-
Interest accrued & due on Deposits/Loans	(6.74)	(10.01)	(14.46)	(11.68)	(0.84)	(1.76)

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

Particulars	Referred in		Referred in		Referred in	
	(a) above		(b) above		(c), (d) & (e) above	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Loans Outstanding</b>						
Ram Ratna Research & Holdings Pvt. Ltd.	-	-	-	-	34.00	34.00
Shri Rameshwarlal Kabra	-	-	-	63.03	-	-
Smt. Umadevi Kabra	-	-	135.50	135.50	-	-
Shri Tribhuvanprasad Kabra	15.17	15.17	-	-	-	-
Shri Mahendrakumar Kabra	139.00	146.00	-	-	-	-
Smt. Kirtidevi Kabra	146.42	146.42	-	-	-	-
Smt. Ratnidevi Kabra	-	-	280.49	280.49	-	-
Shri Shreegopal Kabra	-	-	205.54	205.54	-	-
<b>Others</b>	-	-	23.12	23.12	-	-

- 34.1 Personal guarantees have been given by the Chairman, the Managing Director and their relative for the secured and unsecured borrowings by the Company to the tune of ₹ 28,327 Lakhs (P.Y. ₹ 25,660 Lakhs) and ₹ 2,500 Lakhs (₹ Nil) respectively.
- 34.2 Personal guarantees have been given by the Chairman and the Managing Director of the Company for the unsecured borrowings by the Company to the tune of ₹ 8,750 Lakhs (P.Y. ₹ 6,250 Lakhs).
- 34.3 The Company has donated ₹ 60 lakhs (P.Y. ₹ 20 lakhs) to a charitable trusts in which some of the directors are trustee.

**Note : 35 Exposure in Foreign Currency**

The Company uses forward contracts to mitigate the risks associated with foreign currency fluctuations. The Company does not enter into any forward contracts which are intended for trading or speculative purposes.

- a) The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

Particulars	As at 31.03.2020		As at 31.03.2019	
	USD	INR	USD	INR
Booked against Import Creditors	-	-	46.69	3,285.51
Booked against firm commitments or highly probable forecasted transactions	24.10	1,782.74	3.10	224.83

- b) The details of foreign currency monetary exposures that are not hedged by derivatives instruments:

Payables	As at 31.03.2020		As at 31.03.2019	
	USD	INR	USD	INR
Import Creditors	16.22	1,222.40	6.96	481.34

Receivables	As at 31.03.2020		As at 31.03.2019	
	USD	INR	USD	INR
Export Debtors	14.27	1,075.38	4.81	332.42

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### Note 36: Employee Benefits

#### A) Defined Benefit Plan- Gratuity (Funded)

The employees' Gratuity Fund Scheme, is a defined benefit plan. The scheme is maintained and administered by Life Insurance Corporation of India (LIC) to which the Company makes periodical contributions. Under the said scheme, every employee who has completed at least five years of service usually gets gratuity on departure @ 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet :

(₹ in Lakhs)

Particulars	Gratuity	
	2019-20	2018-19
<b>i) Change in Defined Benefit Obligation</b>		
Obligation at the beginning of the year	342.36	299.10
Current Service Cost	49.44	38.77
Interest Cost	25.38	22.40
Past Service Cost	-	-
Benefits Paid	(9.93)	(10.91)
Remeasurement (gains)/losses	46.02	(7.00)
Defined Benefit Obligation at the end of the year	453.27	342.36
<b>ii) Change in Plan Assets</b>		
Fair value of plan assets at the beginning of the year	404.47	331.87
Expected Return on plan assets	31.74	26.54
Employer Contributions	59.38	60.09
Benefits Paid	(9.93)	(10.91)
Remeasurement (losses)/gains	(3.36)	(3.12)
Fair Value of Plan Assets at the end of the year	482.30	404.47
<b>iii) Amount recognized in the Balance Sheet</b>		
Present value of funded defined benefit obligation	453.27	342.36
Fair value of plan assets at the end of the year	482.30	404.47
Amount not recognized due to asset limit	-	1.37
Amount Recognized in the Balance Sheet	(29.03)	(60.74)
<b>iv) Expenses recognized in the Statement of Profit and Loss</b>		
<b>Employee Benefits Expense</b>		
Current Service Cost	49.44	38.77
Past Service Cost	-	-
Interest Cost including interest on value of asset ceiling	25.48	22.40
Expected Return on plan assets	(31.74)	(26.54)
	(A) 43.18	34.63
<b>Other Comprehensive Income</b>		
(Gain)/ Loss on plan assets less interest on plan assets	3.36	3.12
Actuarial (gain)/loss arising from changes in financial assumption	42.34	3.27
Actuarial (gain)/loss arising from changes in demographic assumption	-	(0.05)



**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

		Gratuity	
		2019-20	2018-19
	Actuarial (gain)/loss arising on account of experience changes	3.68	(10.21)
	Actuarial (gain)/loss arising on account of adjustment to recognize the effect of asset ceiling	(1.48)	1.37
	(B)	47.90	(2.50)
	Expenses recognised in the statement of profit and loss (A) + (B)	91.08	32.13
		As at 31.03.2020	As at 31.03.2019
<b>v)</b>	<b>Investment details</b>		
	LIC- Administrator of the plan fund	482.30	404.47
<b>vi)</b>	<b>Principal assumption used in determining defined benefit obligation</b>		
	Discount rate (per annum)	6.75%	7.75%
	Salary escalation rate (per annum)	7.00%	7.00%
<b>vii)</b>	<b>Sensitivity Analysis</b>		
	<b>Increase in 50bps on DBO</b>		
	Change in discounting rate	(22.03)	(15.83)
	Change in Salary	23.78	17.19
	<b>Decrease in 50bps on DBO</b>		
	Change in discounting rate	23.96	17.15
	Change in Salary Escalation	(22.08)	(16.01)
<b>viii)</b>	<b>Maturity profile of defined benefit obligation</b>		
	Within the next 12 months (next annual reporting period)	43.33	29.67
	Between 2 and 5 years	104.90	85.66
	Between 5 and 10 years	171.57	149.81

- The average duration of the defined benefit plan obligation at the end of the reporting period is 10.13 years (P.Y. 9.62 years)
- The Company expects to contribute ₹ 40 Lakhs (P.Y. ₹ 40 Lakhs) to the plan during the next financial year.
- The estimates of rate of escalation in salaries considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
- Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method.

**B) Defined Contribution Plan - Provident fund**

The Company makes its contribution alongwith the share of employees' contribution deducted from salary on monthly basis to Employees' Provident Fund administered by the Central Government. The Company's Contribution is charged to Statement of Profit & Loss. The Company has no obligation for any further contribution in case of any shortfall. The details of contribution are as under:-

(₹ in Lakhs)

Particulars	2019-20	2018-19
Contribution to Provident Fund	130.81	114.00

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### C) Other Employee benefits - Leave Encashment

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

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Amount recognized in the Balance Sheet</b>		
Current Liability	34.20	22.52
Non- Current Liability	101.39	81.56

(₹ in Lakhs)

Note 37: Calculations of Earnings Per Share	2019-20	2018-19
Profit after Tax (₹ in Lakhs)	1,426.30	1,596.82
Weighted average number of equity shares outstanding during the year ( Nos.)	22,000,000	22,000,000
Face value of equity share (in ₹)	5.00	5.00
Earnings Per Share		
Basic Earnings Per Share (in ₹)	6.48	7.26
Diluted Earnings Per Share (in ₹)	6.48	7.26

### Note 38: A) Category-wise classification of financial instruments

(₹ in Lakhs)

Particulars	Refer Note	Non-Current		Current	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>					
Investments in unquoted equity shares#	3	2,210.45	4,274.23	-	-
<b>Financial assets measured at amortised cost</b>					
Electricity & other deposits	4A	7.61	6.41	-	-
Security deposits	4A & 4B	12.77	13.32	11.59	10.67
Loan to employees	4A & 4B	1.40	2.01	22.52	12.93
Share application money	5A	2.37	2.37	-	-
Term Deposits held as margin money or security against borrowing, guarantees or other commitments	5A	0.47	0.47	-	-
Interest accrued on term deposits held as margin money or security against borrowing, guarantees or other commitments	5B	-	-	3.70	3.25
Others	5B	-	-	3.45	1.07
Trade receivables	9	-	-	18,867.44	20,402.18
Cash and cash equivalents	10B	-	-	82.98	715.29
Other balances with banks	10B	-	-	91.21	85.58
<b>Financial Liabilities measured at fair value through profit or loss (FVTPL)</b>					
Forward exchange contract (net)	14B	-	-	53.93	32.66

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

Particulars	Refer Note	Non-Current		Current	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
<b>Financial Liabilities measured at amortised cost</b>					
Borrowings	13A & 13B	4,899.15	5,186.03	16,684.76	20,159.83
Lease Liabilities	14A & 14B	18.88	-	20.60	-
Current maturities of long term borrowings	14B	-	-	2,356.91	1,454.78
Unclaimed dividend	14B	-	-	30.11	27.89
Retention money relating to capital expenditure	14B	-	-	-	5.00
Interest accrued and due	14B	-	-	143.53	135.21
Interest accrued but not due	14B	-	-	-	3.90
Accrued salary & benefits	14B	-	-	204.38	175.09
Creditors for expenses	14B	-	-	663.12	862.94
Creditors for capital expenditure	14B	-	-	112.78	256.08
Other payables	14B	-	-	13.39	7.42
Trade payables	18	-	-	2,217.45	4,522.00

# Investment is not held for trading. Upon the application of Ind AS 109 - Financial Instruments, the Company has chosen to measure said investment in equity instrument at FVTOCI irrevocably as the management believes that presenting fair value gains and losses relating to the said investment in the statement of profit and loss may not be indicative of the performance of the Company.

**B) Fair Value Measurements**

(i) All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows:

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 — inputs that are unobservable for the asset or liability.

(ii) The following tables provide the fair value measurement hierarchy of the Company's financial assets and liabilities:

 As at 31<sup>st</sup> March, 2020

(₹ in Lakhs)

Financial Assets/ Financial Liabilities	Fair value as at 31.03.2020	Fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value through other comprehensive income</b>				
Investments in unquoted equity shares (Note 3)	2,210.45	-	2,210.45	-
<b>Financial Liabilities measured at fair value through profit or loss (FVTPL)</b>				
Forward exchange contracts (net) (Note 14B)	53.93	53.93	-	-

**NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**
**As at 31<sup>st</sup> March, 2019**
**(₹ in Lakhs)**

Financial Assets/ Financial Liabilities	Fair value as at 31.03.2019	Fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value through other comprehensive income</b>				
Investments in unquoted equity shares (Note 3)	4,274.23	-	4,274.23	-
<b>Financial Liabilities measured at fair value through profit or loss (FVTPL)</b>				
Forward exchange contracts (net) (Note 14B)	32.66	32.66	-	-

**(iii) Fair value of financial assets and liabilities measured at amortised cost:**
**(₹ in Lakhs)**

Particulars	As at 31.03.2020		As at 31.03.2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Electricity & other deposits	7.61	7.61	6.41	6.41
Security deposits	27.00	24.36	27.00	23.99
Loan to employees	24.34	23.92	15.64	14.94
Share application money	2.37	2.37	2.37	2.37
Term Deposits held as margin money or security against borrowing, guarantees or other commitments	0.47	0.47	0.47	0.47
Interest accrued on term deposits held as margin money or security against borrowing, guarantees or other commitments	3.70	3.70	3.25	3.25
Others	3.45	3.45	1.07	1.07
Trade receivables	18,867.44	18,867.44	20,402.18	20,402.18
Cash and cash equivalents	82.98	82.98	715.29	715.29
Other balances with banks	91.21	91.21	85.58	85.58
<b>Total Financial Assets</b>	<b>19,110.57</b>	<b>19,107.51</b>	21,259.26	21,255.55
<b>Financial Liabilities</b>				
Borrowings	21,585.94	21,583.91	25,349.53	25,345.86
Lease Liabilities	43.50	39.48	-	-
Current maturities of long term borrowings	2,358.24	2,356.91	1,456.92	1,454.78
Unclaimed dividend	30.11	30.11	27.89	27.89
Retention money relating to capital expenditure	-	-	5.00	5.00
Interest accrued and due	143.53	143.53	135.21	135.21
Interest accrued but not due	-	-	3.90	3.90
Accrued salary & benefits	204.38	204.38	175.09	175.09
Creditors for expenses	663.12	663.12	862.94	862.94
Creditors for capital expenditure	112.78	112.78	256.08	256.08
Other payables	13.39	13.39	7.42	7.42
Trade payables	2,217.45	2,217.45	4,522.00	4,522.00
<b>Total Financial Liabilities</b>	<b>27,372.44</b>	<b>27,365.06</b>	32,801.98	32,796.17

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

The carrying amounts of financial assets (other than security deposits and loan to employees) and financial liabilities (Other than long term borrowings & lease liabilities) measured at amortised cost in the financial statements are reasonable approximation of their fair values since the Company does not anticipate that the carrying amount would be significantly different from the value that would eventually be received or settled.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

There have been no transfers between Level 1 and Level 2 for the years ended 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019.

### C) Financial Risk Management- Objectives and Policies

The Company is exposed to: (a) Market Risks comprising of Interest Rate Risk, Currency Rate Risk, Commodity Price Risk and Equity Price Risk (b) Credit Risk comprising of trade receivable risk and financial instrument risk and (c) Liquidity Risk. The Company has well placed Risk Management Policy (RMP). The policy provide broad guidelines to identify the risk arising from these factors and provide guidelines to the team for its mitigation or at-least minimize its effect on income / expense on the Company is optimized. Team involved in RMP meets frequently to discuss the level of risk they foresee based on the conditions persisting.

The Company's exposure to Market Risk, Credit Risk and Liquidity Risk have been summarized below:

#### Market Risk :-

##### Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on short-term and long-term floating rate interest bearing liabilities. The Company's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by prevailing interest rates. These exposures are reviewed by the management on a periodic basis.

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

Particulars	Impact on profit before tax	
	2019-20	2018-19
Increase in interest rate by 100 basis points	(238.76)	(267.86)
Decrease in interest rate by 100 basis points	238.76	267.86

(Calculated based on risk exposure outstanding as of date and assuming that all other variables, in particular foreign currency rates, remain constant).

##### Foreign Currency Risk:

The Company is exposed to fluctuations in foreign currency exchange rates where transaction references more than one currency and/or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

Exposures on foreign currency are managed through a hedging policy, which is reviewed periodically by the management. The Company usually enters into forward exchange contracts progressively based on their maturity to hedge the effects of movements in foreign currency exchange rates individually on assets and liabilities. The sources of foreign exchange risk for the Company are trade receivables, trade payables for imported materials & capital goods as well as foreign currency denominated borrowings. The policy of the Company is to determine on a regular basis what portion of the foreign exchange risk are to be hedged through forward exchange contracts.

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

The exposure of the Company's foreign currency risk based on unhedged exposure as at the reporting date is as follows:

(₹ in Lakhs)

Particulars	Impact on profit before tax	
	2019-20	2018-19
Increase in exchange rates by 5%	(7.35)	(7.45)
Decrease in exchange rates by 5%	7.35	7.45

### Commodity Price Risk

The Company is exposed to the movement of copper and aluminium prices on the London Metal Exchange (LME). Any increase or decline in the prices of these commodities will have an impact on the profitability of the Company. As a general policy, the Company aims to purchase these commodities at prevailing market prices and also sell the products at price adjusted for prevailing market prices. The Company substantially ensures sale of products with simultaneous purchase of these commodities on back-to back basis ensuring no or minimum price risk for the Company.

### Equity Price Risk

Equity price risk relates to change in fair value of investments in the equity instruments measured at fair value through OCI. As at 31<sup>st</sup> March, 2020 the carrying value of such equity instruments recognised at fair value through OCI amounts to ₹ 2,210.45 Lakhs (P.Y. ₹ 4,274.23 Lakhs).

A sensitivity analysis demonstrating the impact of change in the carrying value of investment in equity instrument as at reporting date is given below:

(₹ in Lakhs)

Particulars	Impact on OCI before tax	
	2019-20	2018-19
Increase by 5%	110.52	213.70
Decrease by 5%	(110.52)	(213.70)

### Liquidity Risk

Liquidity risk refers to the risk that the Company encounter difficulty in raising fund to meet its financial commitments. The objective of liquidity risk management is to maintain the liquidity and to ensure that funds are available for short operational needs and to fund Company's expansion projects. The Company has availed credit facility from the banks & financial institutions to meet its financial commitment in timely and cost effective manner.

The Company remains committed to maintaining a healthy liquidity and gearing ratio and strengthening the balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below.

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Total	Carrying Value
<b>At 31<sup>st</sup> March, 2020</b>				
Borrowings (Note 13A and 13B)	16,684.76	4,899.15	21,583.91	21,583.91
Derivative Financial Liability (Note 14B)	53.93	-	53.93	53.93
Other Financial Liabilities (Note 14A & 14B)	3,544.82	18.88	3,563.70	3,563.70
Trade Payables (Note 18)	2,217.45	-	2,217.45	2,217.45

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Total	Carrying Value
<b>At 31<sup>st</sup> March, 2019</b>				
Borrowings (Note 13A and 13B)	20,159.83	5,186.03	25,345.86	25,345.86
Derivative Financial Liability (Note 14B)	32.66	-	32.66	32.66
Other Financial Liabilities (Note 14A & 14B)	2,928.31	-	2,928.31	2,928.31
Trade Payables (Note 18)	4,522.00	-	4,522.00	4,522.00

### Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk for trade receivables and financial guarantees for dealers, derivative financial instruments and other financial assets.

The Company assess the counter party before entering into transactions and wherever necessary supplies are made against advance payment. The Company on continuous basis monitor the credit limit of the counter parties to mitigate or minimise the credit risk. The credit risk for the financial guarantees issued by the Company to bank for credit facilities availed by Company's dealers from bank is minimum as those parties have long vintage with the Company and they are also subject to credit risk assessment by bank on periodical basis. The credit risk on export receivables are limited as almost all export sales are made to parties having a long vintage with the Company and new parties are subject to necessary due diligence.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on expected credit loss method. The movement in expected credit loss allowance on trade receivable is as under:

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Balance at the beginning of the year	247.91	97.81
Add/(Less): Allowance(reversal) for impairment for the year	417.10	150.10
Less:- Amount written off during the year	124.87	-
Balance at the end of the year	540.14	247.91

### Risk due to COVID -19 pandemic

The outbreak of Coronavirus (COVID -19) pandemic globally and in India has led to unpredictable challenges for the human mankind. This pandemic has caused disturbance and slowdown down in the economic activities worldwide and impacted business, by interruption in supply and demand chain, unavailability of personnel, closure of production facilities and offices and paused unforeseen challenges before business. The operations were temporary shutdown due to national lockdown. The Company has considered external and internal information in assessing the impact of COVID-19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date.

### Note 39: Details of Subsidiary and Joint Venture

(₹ in Lakhs)

Name of Company	Subsidiary/ Joint Arrangement	Country of Incorporation	% of Holding as on 31.03.2020	% of Holding as on 31.03.2019	Method used to account for the Investment
RR-Imperial Electricals Limited	Jointly Controlled Entity	Bangladesh	10%	10%	At Cost
Global Copper Private Limited	Subsidiary	India	60%	60%	At Cost



## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### Note 40 : Revenue from Contracts with Customers

Disaggregation of Revenue from Contract with Customers

The revenue is recognised at a point in time considering the contract terms and business practice. The following summary provides the disaggregation of revenue from contracts with customers :

	(₹ in Lakhs)	
Products :- Wires & Strips	2019-20	2018-19
<b>Sale of Products</b>		
India	113,357.59	112,672.64
Outside India	10,687.58	10,338.67
<b>Processing Fees</b>	93.06	200.15
<b>Sale of Scrap</b>	1,179.24	1,595.73
<b>Revenue from Contract with Customers</b>	<b>125,317.47</b>	<b>124,807.19</b>

	(₹ in Lakhs)	
Summary of Contract Balance	As at 31.03.2020	As at 31.03.2019
Trade Receivable (Note 9)	18,867.44	20,402.18
Contract Assets	-	-
Contract Liabilities (Note 19)	383.29	399.65

Trade receivables are non-interest bearing with credit terms of 30 days to 90 days. Contract liabilities are towards advance received from customers for goods to be delivered.

The Company has recognised revenue amounting to ₹ 381.85 lakhs in the current year that was included in the Contract Liability balance in the previous year i.e. as at 31<sup>st</sup> March, 2019.

Performance obligation is satisfied at a point in time which normally occurs on delivery of the goods as per the terms of contract in case of domestic sales and in case of export on the basis of shipping terms and with payment terms 30 days to 90 days or against advance payment. There is negligible obligation towards sales return.

### Reconciliation of revenue recognised in Statement of Profit and Loss with contract price

	(₹ in Lakhs)	
Particulars	2019-20	2018-19
Contract Price	125,529.34	125,183.52
Less :		
Cash Discount	93.26	159.53
Quantity Discount	59.08	43.78
Incentives & Benefits	59.53	173.02
<b>Total Revenue from Sale of Product</b>	<b>125,317.47</b>	<b>124,807.19</b>

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### Note 41: Disclosure relating to provisions pursuant to Ind As 37 - "Provisions, Contingent Liabilities, Contingent Assets"

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Opening Provision	12.86	-
Addition	-	12.86
Utilisation	-	-
Reversal	-	-
Closing Balance	12.86	12.86

Provision for Sales tax is towards pending C Forms . No Provision is made for pending dispute under excise & service Tax ( Note 29.1)

### Note 42: Segment Information

- a) In accordance with Ind AS 108 the Company operates only in one segment and there is no separate reportable segment.  
b) Revenue from contract with external Customers:

(₹ in Lakhs)

Particulars	2019-20	2018-19
- India	114,629.89	114,468.52
- Outside India	10,687.58	10,338.67
<b>Total Revenue</b>	<b>125,317.47</b>	<b>124,807.19</b>

- c) All non current assets of the Company are located in India.  
d) There is no transaction with single external customer which amounts to 10% or more of the Company's revenue.

### Note 43: Details of Investments made & Guarantee given covered U/s 186(4) of the Companies Act, 2013

- a) Details of Investments made are given in Note 3.  
b) Financial guarantee has been given by the Company in respect of credit facility availed by the Company's dealers under channel financing arrangements (Note 29.2).

### Note 44: Operating Lease:-

- a) Lease Contracts entered into by the Company are mainly in respect for office premises taken on the lease in the ordinary course of business. Lease Contracts are for the period of 3- 5 years.

#### Transition :

Effective 1<sup>st</sup> April, 2019, the Company has adopted Ind As 116 - Leases, which has replaced the Ind As 17-Leases. The Company has elected to apply modified retrospective method in respect of all lease contracts existing as on 1<sup>st</sup> April,2019 ("date of initial application") and consequently, the Company has recognised lease liability at the present value of the remaining lease payments, discounted using the incremental borrowing rate and also chosen the practical expedient provided in the standard to measure right-of-use (ROU) assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments, if any. In respect of lease contracts for which lease terms are ending within period of 12 months from the date of initial application or lower value lease, lease payments are recognised as an expense on straight line basis. Comparative for the year ending and as at 31<sup>st</sup> March, 2019 have not been restated for retrospectively adjusted and will continue to be reported under the accounting policies as adopted in the Annual Report for the year ended 31<sup>st</sup> March, 2019. (Refer Note (v) – under Significant Accounting Policies – Leases in the Annual Report of the Company for the year ended 31<sup>st</sup> March, 2019 for the policy on Ind As 17 – Leases).

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

## NOTES to Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

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

The Company has further applied following practical expedients elected on initial application:

- Applied the exemption not to Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- Incremental borrowing rate for lease liability is 10% p.a. with maturity between 2021- 2025.

The change in the Lease Liabilities for the year ended 31<sup>st</sup> March, 2020 are as follows

		(₹ in Lakhs)
Particulars		2019-20
<b>1<sup>st</sup> April, 2019</b>		<b>10.11</b>
Addition		49.41
Finance cost accrued during year		4.52
Deletions		-
Payment of lease liabilities		24.56
<b>31<sup>st</sup> March, 2020</b>		<b>39.48</b>

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

			(₹ in Lakhs)
Particulars	As at 31.03.2020	As at 31.03.2019	
Not later than 1 year	2.40	2.99	
Later than 1 year but not later than 5 years	-	3.74	

The following are the amounts recognised in profit or loss:

		(₹ in Lakhs)
Particulars		2019-20
Depreciation expenses on right-of-use assets		24.56
Interest expenses on lease liabilities		4.52
Interest expenses on fair value of security deposits		-
Expense relating to short-term leases (included in other expenses)		6.39
Expense relating to leases of low-value assets (included in other expenses)		-
Variable lease payments (included in other expenses)		-

**Note 45:** Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

**As per our Report of even date**

**For Bhagwagar Dalal & Doshi**

Chartered Accountants  
(Firm Registration No. 128093W)

**Jatin V. Dalal**

Partner  
M.No. 124528

Place : Mumbai

Dated : 29<sup>th</sup> July, 2020

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

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

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

**Saurabh Gupta**  
Company Secretary  
ACS - 53006

## INDEPENDENT AUDITOR'S REPORT

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

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

#### 1. Opinion

We have audited the accompanying consolidated financial statements of Ram Ratna Wires Limited ("the Parent") and its subsidiary- Global Copper Private Limited ("the Subsidiary") (the Parent and the Subsidiary together referred to as "the Group") which includes its share of Loss in Joint Venture - R R Imperial Electricals Limited ("the Jointly Controlled Entity"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flows Statement and the Consolidated Statement of Changes in Equity for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the Subsidiary and the Jointly Controlled Entity referred below in paragraph 7 Other Matter, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rule, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its Jointly Controlled Entity as at 31<sup>st</sup> March, 2020, and their consolidated profit, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### 2. Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements in paragraph 6 below of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred below in paragraph 7 Other Matter, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### 3. Key Audit Matters

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

The Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue Recognition</b> (Refer note 1 (d) (xi) and 37 of the consolidated financial statements)</p> <p>Revenue is the main profit driver and therefore susceptible to misstatement. There is inherent risk of incorrect timing of recognition of revenue and related rate difference, discounts in reporting period. Cut-off on the reporting date is the key assertion and particularly this year on account of all of sudden lockdown just before cut off reporting date due to COVID, any in-appropriate method can result in</p>	<p>Our audit incorporated the following procedures with regard to Revenue Recognition :-</p> <ul style="list-style-type: none"> <li>● assessing the process, internal controls and testing the effectiveness of key controls;</li> <li>● testing the accuracy of cut-off with substantive analytical procedures supplemented with third party confirmation, delivery acknowledgment, delivery terms, estimation for delivery time based on historical records</li> </ul>

<p>misstatement of results for the year.</p> <p><b>Investment in Joint Venture</b> The continued losses of the Jointly Controlled Entity in which the Group has investment of ₹ 467.72 lakhs and reported in the financial statements at cost less adjusted for accrued share of loss with further commitment for investment, in our view is area of key matter for assessment of impairment of investment.</p> <p><b>Impairment of goodwill in Consolidated Financial Statements</b> The consolidated financial statement reflects goodwill of ₹ 137.20 lakhs on acquisition of the Subsidiary. Goodwill is required to be tested annually for impairment. The parent has estimated the recoverable amount of the Subsidiary to which goodwill is allocable based on value in use or fair value. Determination of value in use involves significant estimations, assumptions and judgments as regards to determination of value in use and susceptible to misstatements and therefore, area of key audit matter.</p>	<ul style="list-style-type: none"> <li>• judgments and estimations made for discounts, rebates, appropriate authorisation, historical trends, credit and debit notes issued after the balance sheet date, inventory reconciliation and receivable balance confirmations.</li> </ul> <p>Our audit incorporated the following procedures with regard to assessment of impairment of investment :-</p> <ul style="list-style-type: none"> <li>• reviewing the approach adopted for testing impairment including method used for determination of value in use;</li> <li>• valuation report based on income approach obtained from independent qualified Valuer to test the impairment;</li> <li>• performing substantive testing in respect of financial projections for their accuracy;</li> <li>• reviewing the assumptions and inputs used for valuation;</li> <li>• discussions with key person of the Parent looking after the affairs of the Jointly Controlled Entity for continued losses and ascertaining the factors contributing towards such performance and strategy to overcome it;</li> <li>• discussions on group's management perception regarding business, market condition, future expected growth in the country of operation, future planning, financial strength, support and intention of other co-venturers.</li> </ul> <p>Our audit incorporated the following procedures with regard to assessment of impairment of goodwill on acquisition of the Subsidiary :-</p> <ul style="list-style-type: none"> <li>• reviewing the approach adopted for testing impairment including method used for determination of value in use;</li> <li>• valuation report based on income approach obtained from independent qualified Valuer to test the impairment;</li> <li>• Checking the fair valuation considered by the Parent and considering the bases of assessment of fair valuation;</li> <li>• performing substantive testing in respect of financial projections for their accuracy and reviewing same with the historical performance;</li> <li>• reviewing the assumptions used for valuation;</li> </ul>
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**4. Information Other than the Consolidated Financial Statements and Auditor's Report thereon**

The Parent's Board of Directors is responsible for other information. Other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, standalone financial statement and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us, referred below paragraph 7 - Other Matter, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**5. Management's Responsibility for the Consolidated Financial Statements**

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of

these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive loss, consolidated cash flow and consolidated changes in equity of the Group including the jointly controlled entity in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Parent, the Subsidiary and the Jointly Controlled Entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and the Jointly Controlled Entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Parent, as aforesaid.

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

The respective Board of Directors of the Parent, the Subsidiary and the Jointly Controlled Entity are also responsible for overseeing the financial reporting process of the Group and of the Jointly Controlled Entity.

#### **6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

#### **7. Other Matters**

We did not audit the financial statements/financial information of the Subsidiary included in the consolidated financial statements, whose financial statements reflects total gross assets of ₹ 8,194.14 lakhs as at 31<sup>st</sup> March, 2020, total gross revenue ₹ 19,188.38 lakhs and net cash outflows amounting to ₹ 2.78 lakhs for the year then ended, as considered in the consolidated financial statements. The consolidated financial statements also include the Parent's share of net (loss) of ₹ 2.47 lakhs for the year ended 31<sup>st</sup> March, 2020, as considered in the consolidated financial statements, in respect of the Jointly Controlled Entity. The financial statements/ financial information of the Subsidiary has been audited by other auditors whose reports have been furnished to us by the Management. The financial statements of the Jointly Controlled Entity in Bangladesh have been restated by the management of the Parent in accordance with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India based on audited financial statements and report thereon of other auditor which were prepared following Accounting Standards and Generally Accepted Accounting Practices prevalent in Bangladesh. our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the Subsidiary and the Jointly Controlled Entity and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the Subsidiary and the Jointly Controlled Entity is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements in paragraph 8 below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

#### **8. Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on the separate financial statement and other information of the Subsidiary and the Jointly Controlled Entity to the extent applicable we report that :

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors and the report of the statutory auditors of the Subsidiary, none of the directors are disqualified as



on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate Report in Annexure which is based on the auditors' report of the Parent and the Subsidiary. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of the Parent and the Subsidiary.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statements disclosed the impact, if any, of pending litigations as at 31<sup>st</sup> March, 2020 on its consolidated financial position of the Group and the Jointly Controlled Entity - Refer Note 29 to the consolidated financial statements;
  - The Group and the Jointly Controlled Entity did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent;

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

UDIN: 20124528AAAAAR1574  
Place : Mumbai  
Date : 29<sup>th</sup> July, 2020

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

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## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as and for the year ended 31<sup>st</sup> March, 2020 we have audited the internal financial controls over financial reporting of Ram Ratna Wires Limited ("the Parent") and its Subsidiary Global Copper Private Limited, ("the Subsidiary") as of the date.

### 1. Management's Responsibility for Internal Financial Controls

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

### 2. Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and the

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the auditors of the Subsidiary in terms of their report referred to in Other Matter paragraph 6 below, is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting of the Parent and the Subsidiary.

### **3. Meaning of Internal Financial Controls Over Financial Reporting**

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

### **4. Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **5. Opinion**

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the report of the auditor of the Subsidiary referred to in Other Matters paragraph 6 below, the Parent and the Subsidiary have, in all material respects, an adequate internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **6. Other Matters**

Our aforesaid report under section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting in so far as it relates to the subsidiary company, is based on the corresponding report of the auditor of the subsidiary company. Our opinion is not modified in respect of the above matter.

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

UDIN: 20124528AAAAAR1574

Place : Mumbai

Date : 29<sup>th</sup> July, 2020

**Jatin V. Dalal**

Partner

Membership No. 124528

**CONSOLIDATED BALANCE SHEET as at 31<sup>st</sup> March, 2020**

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	2A	16,443.61	16,667.22
Capital Work-in-Progress	2B	58.49	87.28
Goodwill	2E	137.20	137.20
Intangible Assets	2C	55.48	75.50
Intangible Assets under development	2D	0.76	0.76
Right of Use Assets	2F	39.54	-
Financial Assets			
Investments			
Investment in Joint Venture	3	472.91	437.14
Other Investments	3	2,253.95	4,314.21
Loans	4A	21.78	21.74
Other Financial Assets	5A	1.85	1.74
Income Tax Assets (Net)	6	123.69	69.53
Other Assets	7A	559.30	700.58
		<b>20,168.56</b>	<b>22,512.90</b>
<b>CURRENT ASSETS</b>			
Inventories	8	10,195.26	10,048.25
Financial Assets			
Trade Receivables	9	21,799.42	24,231.51
Cash and Cash Equivalents	10B	97.73	722.63
Other Balances with Banks	10B	92.05	96.61
Loans	4B	41.17	27.88
Other Financial Assets	5B	7.15	5.15
Other Assets	7B	1,644.18	3,265.77
Assets Held for Sale		17.00	-
		<b>33,893.96</b>	<b>38,397.80</b>
		<b>54,062.52</b>	<b>60,910.70</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	11	1,100.00	1,100.00
Other Equity	12	16,777.30	17,253.15
		<b>17,877.30</b>	<b>18,353.15</b>
Non-Controlling Interest	12	663.05	650.57
		<b>18,540.35</b>	<b>19,003.72</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	13A	7,389.15	7,436.65
Other Financial Liabilities	14A	18.88	-
Provisions	15A	109.53	96.81
Deferred Tax Liability (Net)	16	952.16	1,716.42
Deferred Income	17	65.47	111.57
		<b>8,535.19</b>	<b>9,361.45</b>
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	13B	19,475.43	22,547.69
Trade Payables			
- Micro, Small & Medium Enterprises	18	32.44	100.81
- Others	18	3,101.16	6,198.10
Other Financial Liabilities	14B	3,814.98	3,174.84
Other Liabilities	19	449.39	482.16
Provisions	15B	35.93	23.11
Income Tax Liabilities (Net)	20	77.65	18.82
		<b>26,986.98</b>	<b>32,545.53</b>
		<b>54,062.52</b>	<b>60,910.70</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
Significant Accounting Policies	1		
See accompanying Notes to the Financial Statements	1-40		

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

Chartered Accountants

(Firm Registration No. 128093W)

**Jatin V. Dalal**

Partner

M.No. 124528

Place : Mumbai

 Dated : 29<sup>th</sup> July, 2020

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

Chairman

DIN - 00091375

Managing Director

DIN - 00473310

**Hemant Kabra**

Director &amp; CFO

DIN - 01812586

**Saurabh Gupta**

Company Secretary

ACS - 53006

**CONSOLIDATED STATEMENT OF PROFIT & LOSS for the year ended on 31<sup>st</sup> March, 2020**

(₹ in Lakhs)

Particulars	Note No.	2019-20	2018-19
Revenue from Operations			
Sale of Products	21	143,208.58	140,209.93
Other Operating Revenues	21	1,435.45	2,053.00
Other Income	22	369.75	377.05
<b>Total Revenue</b>		<b>145,013.78</b>	<b>142,639.98</b>
Cost of Materials Consumed	23	128,345.40	129,265.70
Purchase of Stock in Trade		1,137.23	1,224.88
Changes in Inventories	24	(995.37)	(3,839.26)
Employee Benefits Expense	25	3,422.33	3,127.69
Finance Costs	26	2,843.00	2,909.77
Depreciation & Amortisation Expense	27	1,852.23	1,636.32
Other Expenses	28	6,737.65	5,766.31
<b>Total Expenses</b>		<b>143,342.47</b>	<b>140,091.41</b>
<b>Profit for the year before share of Profit in Jointly Controlled Entity</b>		<b>1,671.31</b>	<b>2,548.57</b>
Add : Share of (Loss)/ Profit of Jointly Controlled Entity		(2.47)	(82.31)
<b>Profit Before Tax</b>		<b>1,668.84</b>	<b>2,466.26</b>
Tax Expenses:	15		
Current Tax		526.24	743.67
(Excess) / Short Tax Provision of earlier years		(38.86)	14.75
Deferred tax		(276.88)	111.88
		<b>210.50</b>	<b>870.30</b>
<b>Profit After Tax</b>		<b>1,458.34</b>	<b>1,595.96</b>
<b>Other Comprehensive (Loss) / Income (OCI)</b>			
A (i) Items that will not be reclassified to Profit or Loss			
a) Remeasurement benefit of defined benefit plans		(52.13)	4.22
b) Fair value (Loss) on investment in equity instrument through OCI		(2,063.78)	(52.62)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		487.38	439.28
B (i) Items that will be reclassified to Profit or Loss			
Exchange difference arising on translation of foreign operations		38.35	36.77
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
<b>Total Other Comprehensive (Loss) / Income (OCI) (A+B)</b>		<b>(1,590.18)</b>	<b>427.65</b>
<b>Total Comprehensive (Loss) / Income for the year</b>		<b>(131.84)</b>	<b>2,023.61</b>
<b>Profit for the year attributable to</b>			
- Owners of the Company		1,444.61	1,563.45
- Non-Controlling Interest		13.73	32.51
<b>Other Comprehensive (Loss) / Income for the year attributable to</b>			
- Owners of the Company		(1,588.93)	427.15
- Non-Controlling Interest		(1.25)	0.50
<b>Total Comprehensive (Loss) / Income for the year attributable to</b>		<b>(144.32)</b>	<b>1,990.60</b>
- Owners of the Company		12.48	33.01
- Non-Controlling Interest			
<b>Earnings per Equity Share of ₹ 5 each: (Note 30)</b>			
Basic		6.57	7.11
Diluted		6.57	7.11
Significant Accounting Policies	1		
See accompanying Notes to the Financial Statements	1-40		

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

Chartered Accountants

(Firm Registration No. 128093W)

**Jatin V. Dalal**

Partner

M.No. 124528

Place : Mumbai

 Dated : 29<sup>th</sup> July, 2020

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

Chairman

DIN - 00091375

Managing Director

DIN - 00473310

**Hemant Kabra**

Director &amp; CFO

DIN - 01812586

**Saurabh Gupta**

Company Secretary

ACS - 53006

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended on 31<sup>st</sup> March, 2020

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
<b>EQUITY SHARE CAPITAL</b>		
Balance at the beginning of the year	1,100.00	1,100.00
Changes in equity share capital during the year	-	-
Balance at the end of the year	1,100.00	1,100.00

OTHER EQUITY	Reserves & Surplus			Equity Instruments through OCI	Foreign Currency Transnational Reserve	Total attributable to Owners of the Company	Non Controlling Interest
	Security Premium	General Reserve	Retained Earnings				
<b>Balance as at 1<sup>st</sup> April, 2018</b>	763.20	513.00	9,544.95	4,752.48	20.45	15,594.08	617.56
Additions during the year	-	-	1,563.45	-	-	1,563.45	32.51
Profit for the year	-	-	-	-	-	-	-
Add/(Less): Items of OCI for the year, net of tax- Exchange difference arising on translation of foreign operation	-	-	-	-	36.77	36.77	-
Remeasurement benefit of defined benefit plans	-	-	2.37	-	-	2.37	0.50
Net fair value gain on investment in equity instruments through OCI	-	-	-	388.01	-	388.01	-
Add/(Less): Reclassification of gain on disposal of investment in equity instrument through OCI	-	-	1,869.26	(1,869.26)	-	-	-
<b>Total Comprehensive Income For the year 2018-19</b>	-	-	<b>3,435.08</b>	<b>(1,481.25)</b>	<b>36.77</b>	<b>1,990.60</b>	<b>33.01</b>
Reductions during the year	-	-	-	-	-	-	-
Dividend	-	-	(275.00)	-	-	(275.00)	-
Income Tax on Dividend	-	-	(56.53)	-	-	(56.53)	-
Transfer to General Reserve	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>(331.53)</b>	-	-	<b>(331.53)</b>	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>763.20</b>	<b>513.00</b>	<b>12,648.50</b>	<b>3,271.23</b>	<b>57.22</b>	<b>17,253.15</b>	<b>650.57</b>
Additions during the year	-	-	1,444.61	-	-	1,444.61	13.73
Profit for the year	-	-	-	-	-	-	-
Items of OCI for the year, net of tax- Exchange difference arising on translation of foreign operation	-	-	-	-	38.35	38.35	-
Remeasurement benefit of defined benefit plans	-	-	(39.56)	-	-	(39.56)	(1.25)
Net fair value gain(Loss) on investment in equity instruments through OCI	-	-	-	(1,587.72)	-	(1,587.72)	-
<b>Total Comprehensive (Loss) Income For the year 2019-20</b>	-	-	<b>1,405.05</b>	<b>(1,587.72)</b>	<b>38.35</b>	<b>(144.32)</b>	<b>12.48</b>
Reductions during the year :	-	-	-	-	-	-	-
Dividend	-	-	(275.00)	-	-	(275.00)	-
Income Tax on Dividend	-	-	(56.53)	-	-	(56.53)	-
Transfer to General Reserve	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>(331.53)</b>	-	-	<b>(331.53)</b>	-
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>763.20</b>	<b>513.00</b>	<b>13,722.02</b>	<b>1,683.51</b>	<b>95.57</b>	<b>16,777.30</b>	<b>663.05</b>

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

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

**Jatin V. Dalal**  
Partner  
M.No. 124528  
Place : Mumbai  
Dated : 29<sup>th</sup> July, 2020

**Tribhuvanprasad Kabra**  
Chairman  
DIN - 00091375

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

**Mahendrakumar Kabra**  
Managing Director  
DIN - 00473310

**Saurabh Gupta**  
Company Secretary  
ACS - 53006

**CONSOLIDATED CASH FLOW STATEMENT for the year ended on 31<sup>st</sup> March, 2020**

(₹ in Lakhs)

Particulars	2019-20	2018-19
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax</b>	<b>1,668.84</b>	2,466.26
<b>Adjustments for:</b>		
Depreciation & amortisation	<b>1,852.23</b>	1,636.32
Grant related to property, plant & equipment	<b>(87.77)</b>	(133.98)
Share of Loss from Jointly Controlled Entity	<b>2.47</b>	82.31
Finance costs	<b>2,843.00</b>	2,909.77
Interest income	<b>(4.52)</b>	(7.09)
Dividend income	<b>(44.34)</b>	(41.60)
Allowance for doubtful debts and bad debts written off	<b>544.56</b>	159.30
Unrealised foreign exchange (gain)/ loss (net)	<b>27.93</b>	(25.66)
Gain on Mutual Funds	<b>(3.52)</b>	(2.23)
Loss on sale of property, plant & equipment (net)	<b>9.00</b>	10.37
<b>Operating Profit before working capital changes</b>	<b>6,807.88</b>	7,053.77
<b>Adjustments for decrease/(increase):</b>		
Trade receivables	<b>1,961.34</b>	(2,310.64)
Financial assets	<b>(15.71)</b>	6.13
Other assets	<b>1,792.51</b>	(354.64)
Inventories	<b>(147.01)</b>	(5,533.65)
Trade payables	<b>(3,245.60)</b>	1,027.88
Financial liabilities	<b>(169.82)</b>	(176.96)
Other liabilities & provisions	<b>(59.36)</b>	354.67
<b>Cash generated from operating activities</b>	<b>6,924.23</b>	66.56
Income tax paid (net of refund)	<b>(494.56)</b>	(841.66)
<b>Net cash flow from / (used in) Operating activities (A)</b>	<b>6,429.67</b>	(775.10)
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of property, plant & equipment	<b>(1,718.32)</b>	(3,685.88)
Purchases of asset held for sale	<b>(17.00)</b>	-
Sale of property, plant & equipment	<b>14.01</b>	44.80
Sale of investment of equity instruments	-	1,887.14
Purchase of non-current investment- Others	-	(37.50)
Proceed from fixed deposits (net)	<b>6.78</b>	107.91
Dividend received	<b>44.34</b>	41.60
Interest received	<b>4.90</b>	8.98
<b>Net cash flow (used in) Investing activities (B)</b>	<b>(1,665.29)</b>	(1,632.95)

(₹ in Lakhs)

Particulars	2019-20	2018-19
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from non current borrowing (net)	852.97	1,574.37
(Repayment) / Proceeds from current borrowing (net)	(3,072.26)	4,381.92
Repayment of lease liabilities	(24.56)	-
Finance costs paid	(2,813.90)	(2,862.46)
Dividend paid (Inclusive of income tax on dividend)	(331.53)	(331.53)
<b>Net cash (used in) / flow from Financing activities (C)</b>	<b>(5,389.28)</b>	2,762.30
<b>(D) Net increase / (decrease) in cash and equivalents ( A+B+C )</b>	<b>(624.90)</b>	354.25
<b>Add: Cash and cash equivalents as at 1<sup>st</sup> April</b>	<b>722.63</b>	368.38
<b>Add: Acquired on business combination</b>	<b>-</b>	-
<b>Cash and cash equivalents as at 31<sup>st</sup> March</b>	<b>97.73</b>	722.63

Notes:

a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7)- Statement of Cash Flow.

b) Cash and Cash Equivalents comprises of :

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Cash on hand	4.76	4.65
Balance with banks	92.97	717.98
	<b>97.73</b>	722.63

c) Reconciliation of liabilities arising from financing activities

(₹ in Lakhs)

Particulars	As at 31.03.2019	Cash (used in) / flow	Non cash changes		As at 31.03.2020
			fair value changes	Current/Non-Current Classification	
Borrowings- Non Current	7,436.65	2,309.81	-	(2,357.31)	<b>7,389.15</b>
Borrowings- Non Current (Current Maturities)	1,456.84	(1,456.84)	-	2,357.31	<b>2,357.31</b>
Borrowings- Current	22,547.69	(3,072.26)	-	-	<b>19,475.43</b>

**As per our Report of even date**

**For Bhagwagar Dalal & Doshi**

Chartered Accountants  
(Firm Registration No. 128093W)

**Jatin V. Dalal**

Partner

M.No. 124528

Place : Mumbai

Dated : 29<sup>th</sup> July, 2020

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

**Tribhuvanprasad Kabra Mahendrakumar Kabra**

Chairman

Managing Director

DIN - 00091375

DIN - 00473310

**Hemant Kabra**

Director & CFO

DIN - 01812586

**Saurabh Gupta**

Company Secretary

ACS - 53006



## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

### CORPORATE INFORMATION

The consolidated financial statements comprise consolidated financial statements of Ram Ratna Wires Limited ('the Parent'), its subsidiary Global Copper Private Limited ('the Subsidiary') (collectively 'the Group') and Jointly Controlled Entity RR-Imperial Electricals Limited for the year ended 31<sup>st</sup> March, 2020.

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

The Parent and its jointly controlled entity are engaged in the business of manufacturing of enamelled winding wires and strips and the Subsidiary is engaged in the business of trading and manufacturing of copper tubes & pipes.

The Consolidated Financial Statements ("the Consolidated Financial Statements") as at 31<sup>st</sup> March, 2020 present the consolidated financial position of the Group as well as its interest in jointly controlled entity. The Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 29<sup>th</sup> July, 2020.

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

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

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

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

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

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

The Consolidated Financial Statements includes Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit & Loss including Other Comprehensive Income, Cash Flows Statement, Statement of Change in Equity for the year ended 31<sup>st</sup> March, 2020 and significant accounting policy and other explanatory information.

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

##### (iii) Recent pronouncements :

###### New Indian Accounting Standards (Ind AS)/ amendments adopted by the Group:

The Group has applied Ind As 116 'Leases' pursuant to issuance of the Companies (Indian Accounting standards) Amendment Rules, 2019 issued by the Ministry of Corporate Affairs, for the first time for the accounting year beginning from 1<sup>st</sup> April, 2019. Ind As 116 Leases, which has replaced Ind As 17 Leases. Ind As 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. (Note: C (v) & 44)

###### New Indian Accounting Standards (IND AS) or amendments to existing IND AS issued but not effective:

Ministry of Corporate Affairs has not notified new IND As or amendments to the exiting IND As to be effective from 1<sup>st</sup> April, 2020.

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### Others:

The Parent has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Parent has recognised Provision for Income Tax and re-measured its Deferred Tax Assets or Liabilities for the year ended 31<sup>st</sup> March, 2020 on the basis of reduced tax rate prescribed in the said section. The impact thereof recognised in the statement of Profit & Loss of ₹ 199.12 Lakhs pertaining to earlier years is recognised during the year. The Subsidiary has not elected to exercise the said option.

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

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

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

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

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

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

### **(b) KEY ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS**

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

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

- Timing of recognising of revenue from contract with customers
- Useful lives of property, plant and equipment and intangible assets
- Impairment of property, plant and equipment and intangible assets
- Impairment of Investments
- Provision for employee benefits and other provisions
- Provision for Income Tax including payment of advance Tax
- Recoverability of deferred tax assets
- Fair Value Measurements of Financial Instruments
- Identification of Lease, assessing lease terms (including anticipated renewals) and applicable discount rate

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

- Commitments and contingencies

### **Estimation of uncertainties relating to the global pandemic of COVID-19**

The outbreak of Coronavirus (COVID -19) pandemic globally and in India has led to unpredictable challenges for the human mankind. This pandemic has caused disturbance and slowdown down in the economic activities worldwide and impacted business, by interruption in supply and demand chain, unavailability of personnel, closure of production facilities and offices and paused unforeseen challenges before business.

All the plants of the Group located in India were shut down from 24<sup>th</sup> March, 2020 following the nationwide lockdown by the Government of India and plant of the Jointly Controlled Entity in Bangladesh from 23<sup>rd</sup> March, 2020 to prevent the community spread of COVID-19. The manufacturing activities at plants, were gradually resumed from 9<sup>th</sup> April, 2020 in the phased manner taking into account directives issued by the relevant Government.

This lockdown has slightly affected revenue of the Group for the month of March, 2020. However, there is no material impact on the carrying value of the current Assets particularly Trade receivables and inventories, which account for substantial part of the current assets of the Group. In assessing the recoverability of trade receivables, the Group has considered subsequent recoveries, past trends, credit risk of the customers based on the industry and internal, external information, as available, till preparation of Consolidated Financial Statements. In assessing the recoverability of Inventories, the Group has considered the price trend of copper and aluminium over the period of lockdown till date, procurement policy and practice of the Group, average selling price post lockdown and orders in hands.

Considering the operation post lockdown, flow of orders, ongoing discussions with the vendors, and customers, the Group is positive about the future. The Group will continue to closely monitor any material change to the future economic conditions.

### **(c) Basis of Consolidation**

#### **(i) Consolidation of Subsidiary**

The Consolidated Financial Statements incorporate the financial statements of the Parent and entity controlled by the Parent i.e. the Subsidiary.

Control is achieved when the company is exposed to or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity. Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the company gains control until the date the company ceases to control the subsidiary.

Wherever necessary, adjustments are made to the financial statements of the Subsidiary to bring their accounting policies in line with those used by the Parent; if any.

#### **Consolidation Procedure**

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of the Subsidiary. For this purpose, income and expenses of the Subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.
- Offset (eliminate) the carrying amount of the Parent's investment in the Subsidiary and the Parent's portion of equity of the Subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- Non-controlling interests in the net assets (excluding goodwill) of the Subsidiary is identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.

### (ii) Consolidation of Joint Venture (Jointly Controlled entity)

The joint venture is an arrangement in which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investment in jointly controlled entity is accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint arrangement since the acquisition date. Goodwill, if any relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of profit and loss reflects the Group's share of the results of jointly controlled entity. Any change in OCI of the jointly controlled entity is presented as part of the Group's OCI. Unrealised gains and losses resulting from inter-group transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

If Group's share of losses of a joint venture exceeds its interest in that joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognized.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as share of profit of a joint venture in the consolidated statement of profit or loss.

### (d) SIGNIFICANT ACCOUNTING POLICIES

#### i) Property, Plant and Equipment

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

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

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

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

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

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the statement of profit and loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost of disposal.

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

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

### (ii) Intangible Assets

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

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

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

### (iii) Depreciation on Property, Plant and Equipment and Amortisation of Intangible Assets:-

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

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

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

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

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

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### (iv) Impairment of Assets

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

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

### (v) Leases

#### The Group as Lessee

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

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

Identification of lease requires significant judgment including judgement to assess the lease terms (including anticipated renewals) and the applicable discount rate. The Company determines the lease terms as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease, if the Group is reasonably certain to exercise that option; and period covered by an option to terminate the lease, if the Group is reasonably certain not to exercise that option. In assessing, whether the Group is reasonably certain to exercise the option to extend a lease, or not to exercise an option to terminate a lease, the Group consider all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revise the lease term if there is a change in the non-cancellable period of lease terms.

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

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

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

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

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



## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

classified as financing cash flows.

### **The Group as Lessor**

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

Ind As 116 "Leases" has replaced the Ind As 17 "Leases" with effect 1<sup>st</sup> April, 2019, for transition effect thereof (Note 44).

### **(vi) Inventories:**

- Raw Materials, Work-in-progress, Stock-in Trade and Finished goods are valued at the lower of cost or net realizable value. The cost is determined using FIFO method.
- The cost of purchase comprises of the purchase price including duties and taxes (other than those subsequently recoverable from the taxing authorities), freight inward and other expenditure directly attributable to the acquisition but net of trade discount, rebates, duties for import under advance licenses and other similar items.
- Packing Materials, Consumable Stores & Spares and Fuel are valued at lower of cost or net realizable value.
- The cost is determined using FIFO method.
- Scrap is valued at net realizable value.
- The cost of Inventories of work-in-progress and finished goods comprises the cost of purchases and the cost of conversion and in case of finished goods it also includes the cost of packing materials.
- The cost of conversion comprises of depreciation and repairs and maintenance of factory buildings and plant and machineries, power and fuel, factory management and administration expenses and consumable stores and spares.
- Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost to make sale.

### **(vii) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

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

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

#### **a) Financial Assets :-**

##### **Cash and bank balances**

Cash and bank balances consist of:

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



## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### Financial assets measured at amortised cost

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

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

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

### Financial assets measured at fair value

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

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

Fair value movements are recognised in the other comprehensive income.

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

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

### Impairment of Financial Assets

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

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

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

### De-recognition of Financial Assets

A financial asset is de-recognised only when

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

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

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

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

### b) Financial Liabilities

#### Classification as debt or equity

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

#### Equity Instrument

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

#### Financial Liability

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

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

#### De-recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or has expired.

### c) Financial Guarantee Contracts

Financial guarantee contracts are those contracts that require specific payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value adjusted for transaction cost that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation

### d) Derivative Financial Instruments

The Group enters into derivative financial contracts in the nature of forward currency contracts with banks to reduce business risks which arise from its exposures to foreign exchange. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/firm contractual commitments.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Any changes therein are generally recognised in the consolidated statement of profit & loss. Derivatives are carried as financial assets when fair value is positive & as financial liabilities when fair value is negative.

### e) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### (viii) Fair Value Measurement

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows:-

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within Level that are observable for the asset or liability, either directly or indirectly
- Level 3 - inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

### (ix) Non-Current Assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets held for sale are not depreciated or amortized.

### (x) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of Management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for a contingent liability is made when there is a possible obligation or present obligation arising from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company and where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

### (xi) Revenue

Revenue from contracts with customer is recognized when the Group satisfies a performance obligation by transferring the promised goods or services to a customer at a transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer as per contract, excluding amount of taxes collected on behalf of the government. The transaction price is adjusted of trade discount, cash discount, volume rebate and other variable considerations

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

as per the terms of contract.

### **Sale of Goods:-**

Revenue from sale of products is recognised at a point in time when the control on the goods have been transferred to a customer i.e when material is delivered to the customer or as per shipping terms , as may be specified in the contract.

### **Job Work**

Revenue from Job work is recognised when intended job work is carried out and goods are ready for transfer to the owner of the goods.

### **Interest Income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate.

### **Rental Income**

Rental income is recognised in the statement of profit & loss on straight line basis.

### **Dividend Income**

Dividend Income from investments is recognised when shareholder's rights to receive payment have been established.

### **Commission Income**

Guarantee commission income (notional) for the financial guarantee issued by the Company to the bank in respect of credit facility granted by the bank to the dealers of the Company is recognised over the period of guarantee.

### **Export Incentives**

Eligible export incentives are recognised in the year in which the conditions precedents are met and there is no significant uncertainty about the collectability.

## **(xii) Government Grant**

Government grants are recognised when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions. When the grant relates to revenue expense, it is recognised as an income on a systematic basis over the period necessary to match it with the expenses that it is intended to compensate. Government grant related to expenditure on property, plant & equipment is included as cost of property, plant & equipment and is credited to the statement of profit & loss over the useful lives of qualifying assets or credited to the statement of profit & loss over the period in which the corresponding export obligation is fulfilled. Total grants availed less the amounts credited to the statement of profit and loss at the balance sheet date are included in the balance sheet as deferred income.

## **(xiii) Foreign Currency Transactions**

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

Transactions denominated in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary items is restated at the closing exchange rates. Non-monetary items are recorded at exchange rate prevailing on the date of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. Exchange differences arising out of these translations are recognized in the consolidated statement of profit and loss.

The forward exchange contracts are marked to market and gain/loss on such contracts are recognised in the statement of profit and loss at the end of each reporting period.

The Group as per previous GAAP elected to recognise as part of cost of assets, exchange differences arising on translation of long term foreign currency monetary items and this method of recognition of such exchange

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

difference is followed by the Group as allowed under Ind AS 101. Such differences are added/deducted to/ from the cost of assets and are recognised in the statement of profit and loss on a systematic basis as depreciation over the balance life of the assets.

For the purpose of presenting in consolidated financial statements the share of profit/(loss) in the foreign joint venture (jointly controlled entity) is expressed in ₹ derived using average exchange rate during the period and net share in the assets of the jointly controlled entity is derived using closing exchange rate as on reporting date. The exchange differences arising are recognised in other comprehensive income and accumulated in a separate component of equity. On disposal of foreign operation, all the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to the consolidated statement of profit and loss. Goodwill and fair value adjustments arising on the acquisition of foreign operation if any, are treated as assets & liabilities of the foreign operation and translated at the closing rate.

### (xiv) Employee Benefits

#### a) Short Term Obligations

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Group recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

#### b) Post-Employment Benefits

##### i) Defined benefit plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation on Project Unit Credit Method made at the end of each financial year. The scheme for the Parent is maintained and administered by Life Insurance Corporation of India to which the Parent makes periodical contributions. The Subsidiary has not funded the liability for defined benefit plan obligation.

##### ii) Defined contribution plans

A Defined Contribution Plan is plan under which the Group makes contribution to Employee's Provident Fund administered by the Central Government. The Group's contribution is charged to the consolidated statement of profit and loss.

#### c) Other Long Term Employee Benefits - Leave Encashment

The liability towards leave encashment which is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related services is recognized based on actuarial valuation carried out using the Projected Unit Credit Method.

### (xv) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized. All other borrowing costs are expensed in the period in which they occur.

### (xvi) Income Taxes

Tax expenses for the year comprises current tax and deferred tax.

#### Current Tax

Current tax is the amount of income tax payable in respect of taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because taxable profit is adjusted for items of income or expenses which are taxable or deductible in other years and also for items which are never taxable or deductible.

The Group's liability for current tax is calculated using tax rates and tax laws that are in force.

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiary and joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws in force.

The deferred tax assets (net) and deferred tax liabilities (net) are determined separately for the Parent and the Subsidiary Company, as per their applicable laws and then aggregated.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity in which case the tax is recognised in Other Comprehensive Income or directly in equity, respectively.

### MAT

Minimum Alternate Tax ('MAT') as per the provisions of the Act is recognised as deferred tax in the statement of profit and loss. The credit available as per tax laws in India in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the credit can be carried forward for set off against the normal tax liability. Such asset is reviewed at each Balance Sheet date.

### (xvii) Segment Reporting

Operating segment is a component of an entity whose operating results are regularly reviewed by the Chief Operating Decision Maker (CODM) of the Parent to make decision about resource to be allocated to the segment and assess its performance.

### (xviii) Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### (xix) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of



## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

equity share outstanding during the period.

For the purpose calculating Diluted Earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### (xx) Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 - Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the Company's cash generating units (CGUs) that are expected to benefit from the combination. A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired; by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Group recognizes an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognized in the Statement of Profit and Loss. An impairment loss recognized for goodwill is not reversed in subsequent periods. On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

### (xxi) Business Combination

Business combination is accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination is measured and recognized in accordance with the requirements of Ind AS 12 "Income Taxes" and Ind AS 19 "Employee Benefits", respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the statement of profit and loss in the period in which they are incurred.

In case of business combination involving entities under common control, the above policy does not apply. Business combinations involving entities under common control is accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

### (xxii) Statement of Cash Flow

The Cash Flow Statement is prepared under 'Indirect Method'.



**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

Note 2

**TANGIBLE ASSETS**

(₹ in Lakhs)

Description	Gross Carrying Amount				Depreciation			Net Carrying Amount
	As at 01.04.2019	Additions	Deductions/ Adjustments	As at 31.03.2020	As at 01.04.2019	For the Year	Deductions / Adjustments	As at 31.03.2020
<b>A) PROPERTY, PLANT &amp; EQUIPMENT</b>								
Land - Free Hold	2,730.12	16.95	-	2,747.07	-	-	-	2,747.07
Factory Buildings	4,356.63	200.87	-	4,557.50	241.23	176.41	-	4,139.86
Residential Buildings	158.29	-	-	158.29	9.27	3.10	-	145.92
Plant & Machineries	11,718.22	1,155.42	59.18	12,814.46	2,934.97	1,444.86	39.25	8,473.88
Laboratory Equipments	267.42	32.83	-	300.25	57.72	28.01	-	214.52
Electrical Installations	227.42	2.94	-	230.36	49.52	29.08	-	151.76
Furniture & Fixtures	143.02	41.36	-	184.38	17.74	16.17	-	150.47
Office & Other Equipment	257.41	39.96	2.33	295.04	77.77	62.14	1.49	156.62
Vehicles	292.16	113.62	5.03	400.75	95.25	44.78	2.79	263.51
<b>Total</b>	20,150.69	1,603.95	66.54	21,688.10	3,483.47	1,804.55	43.53	16,443.61
<b>B) Capital Work - in - Progress</b>	87.28	119.05	147.84	58.49	-	-	-	58.49
<b>Total (A+B)</b>	20,237.97	1,723.00	214.38	21,746.59	3,483.47	1,804.55	43.53	16,502.10

(₹ in Lakhs)

Description	Gross Carrying Amount				Depreciation			Net Carrying Amount
	As at 01.04.2018	Additions	Deductions/ Adjustments	As at 31.03.2019	As at 01.04.2018	For the Year	Deductions / Adjustments	As at 31.03.2019
<b>A) PROPERTY, PLANT &amp; EQUIPMENT</b>								
Land - Free Hold	2,729.61	0.51	-	2,730.12	-	-	-	2,730.12
Factory Buildings	2,971.58	1,385.05	-	4,356.63	105.50	135.73	-	4,115.40
Residential Buildings	158.29	-	-	158.29	6.18	3.09	-	149.02
Plant & Machineries	9,206.65	2,577.27	65.70	11,718.22	1,619.55	1,335.37	19.95	8,783.25
Laboratory Equipments	145.68	121.74	-	267.42	31.79	25.93	-	209.70
Electrical Installations	180.81	46.61	-	227.42	22.74	26.78	-	177.90
Furniture & Fixtures	33.49	109.53	-	143.02	9.29	8.45	-	125.28
Office & Other Equipment	123.69	136.05	2.33	257.41	40.02	39.52	1.77	179.64
Vehicles	285.44	30.66	23.94	292.16	68.35	41.98	15.08	196.91
<b>Total</b>	15,835.24	4,407.42	91.97	20,150.69	1,903.42	1,616.85	36.80	16,667.22
<b>B) Capital Work - in - Progress</b>	560.89	1,042.60	1,516.21	87.28	-	-	-	87.28
<b>Total (A+B)</b>	16,396.13	5,450.02	1,608.18	20,237.97	1,903.42	1,616.85	36.80	16,754.50

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

**C) INTANGIBLE ASSETS**

Description	Gross Carrying Amount				Amortisation/Impairment				Net Carrying Amount	
	As at 01.04.2019	Additions	Deductions/Adjustments	As at 31.03.2020	As at 01.04.2019	For the Year	Deductions/Adjustments	As at 31.03.2020	As at 31.03.2020	As at 31.03.2020
Computer Software	109.16	3.10	-	112.26	33.66	23.12	-	56.78	55.48	0.76
<b>D) Intangible Asset under development</b>	0.76	-	-	0.76	-	-	-	-	-	-
<b>E) Goodwill</b>	137.20	-	-	137.20	-	-	-	-	137.20	-
Goodwill (On Business Combination)	247.12	3.10	-	250.22	33.66	23.12	-	56.78	193.44	-
<b>Total (C+D+E)</b>										

(₹ in Lakhs)

Description	Gross Carrying Amount				Amortisation/Impairment				Net Carrying Amount	
	As at 01.04.2018	Additions	Deductions/Adjustments	As at 31.03.2019	As at 01.04.2018	For the Year	Deductions/Adjustments	As at 31.03.2019	As at 31.03.2019	As at 31.03.2019
<b>C) INTANGIBLE ASSETS</b>										
Computer Software	82.29	26.87	-	109.16	14.19	19.47	-	33.66	75.50	0.76
<b>D) Intangible Asset under development</b>	0.76	-	-	0.76	-	-	-	-	-	-
<b>E) Goodwill</b>	137.20	-	-	137.20	-	-	-	-	137.20	-
Goodwill (On Business Combination)	220.25	26.87	-	247.12	14.19	19.47	-	33.66	213.46	-
<b>Total (C+D+E)</b>										

**F) RIGHT OF USE ASSETS**

Description	Gross Carrying Amount				Amortisation/Impairment				Net Carrying Amount	
	As at 01.04.2019	Additions	Deductions/Adjustments	As at 31.03.2020	As at 01.04.2019	For the Year	Deductions/Adjustments	As at 31.03.2020	As at 31.03.2020	As at 31.03.2020
Office Premises	-	64.10	-	64.10	-	24.56	-	24.56	39.54	39.54
<b>Total</b>	-	64.10	-	64.10	-	24.56	-	24.56	39.54	39.54

2.1 Details of additions on account of Foreign Exchange Differences and Borrowing costs:

Particulars	Foreign Exchange Difference		Interest
	2019-20	2018-19	
Residential Buildings	-	-	18.84
Plant & Machineries	-	-	-

2.2 The details of property, plant & equipment pledged against borrowings are presented in Note 13.3 to 13.9.

2.3 The amount of contractual commitments for the acquisition of property, plant & equipment is disclosed in Note 29 B (i).

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

Note 3: INVESTMENTS	Nos.	Face Value	Non-Current	
			As at 31.03.2020	As at 31.03.2019
Investments in equity instruments				
i) Joint Venture (Note 38)				
- R R Imperial Electricals Limited- Bangladesh (10%)	6,340,244	Taka 10	472.91	437.14
ii) Other Entities (measured at fair value and designated as FVOCI)				
- R R Kabel Limited	341,120	₹ 10	2,210.45	4,274.23
- The Saraswat Co-operative Bank Limited	2,500	₹ 10	0.25	0.25
Investment in Quoted Mutual Funds (measured at fair value and designated as FVTPL)			43.25	39.73
			<b>2,726.86</b>	<b>4,751.35</b>
Aggregate amount of quoted investments at fair value			43.25	39.73
Aggregate amount of unquoted investments at fair value			2,210.70	4,274.48
Aggregate value of impairment in value of investments			-	-

3.1 For estimated amount of capital commitments- Note 29 B (ii).

3.2 Information on financial information, the Parent's ownership interest and other information of the joint venture - Note 38.

(₹ in Lakhs)

Note 4A: LOANS	Non-Current	
	As at 31.03.2020	As at 31.03.2019
<b>Unsecured, Considered good :</b>		
Electricity & Other Security Deposits	7.61	6.41
Security Deposits*	12.77	13.32
Loan to Employees	1.40	2.01
	<b>21.78</b>	<b>21.74</b>

(₹ in Lakhs)

Note 4B: LOANS	Current	
	As at 31.03.2020	As at 31.03.2019
<b>Unsecured, Considered good :</b>		
Security Deposits*	11.59	10.67
Loan to Employees	29.58	17.21
	<b>41.17</b>	<b>27.88</b>

(₹ in Lakhs)

* Includes	As at 31.03.2020	As at 31.03.2019
	Security deposit with Director	6.62
Security Deposit with a Private Limited Company in which one of the Director of the Parent is Director and some of Directors of the Parent are members	3.50	3.17

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

Note 5A: OTHER FINANCIAL ASSETS	Non-Current	
	As at 31.03.2020	As at 31.03.2019
<b>Unsecured, Considered good :</b>		
Share Application Money -Joint Venture	1.38	1.27
Term Deposits with bank held as margin money or security against Borrowing, Guarantees or other Commitments having maturity more than 12 months	0.47	0.47
	<b>1.85</b>	<b>1.74</b>

(₹ in Lakhs)

Note 5B: OTHER FINANCIAL ASSETS	Current	
	As at 31.03.2020	As at 31.03.2019
<b>Unsecured, Considered good :</b>		
Interest accrued on term deposits held as margin money or security against Borrowing, Guarantees or other Commitments	3.70	4.08
Others	3.45	1.07
	<b>7.15</b>	<b>5.15</b>

(₹ in Lakhs)

Note 6: INCOME TAX ASSETS (NET)	Non-Current	
	As at 31.03.2020	As at 31.03.2019
Advance Income Tax (net)	123.69	69.53
	<b>123.69</b>	<b>69.53</b>

(₹ in Lakhs)

Note 7A: OTHER ASSETS	Non-Current	
	As at 31.03.2020	As at 31.03.2019
<b>Unsecured, Considered good :</b>		
Capital Advances	132.28	98.06
Other Advances :		
Balances with government authorities		
Cenvat Credit Receivable	37.04	47.31
Vat Receivable	376.19	538.29
Advance receivable in cash or in kind	13.79	16.92
	<b>559.30</b>	<b>700.58</b>

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

Note 7B: OTHER ASSETS	Current	
	As at 31.03.2020	As at 31.03.2019
<b>Unsecured, Considered good :</b>		
Other Advances		
Balances with government authorities		
Cenvat Credit Receivable	-	0.59
GST Receivable	538.50	750.83
Export Incentives Receivable	270.70	219.01
Excise Duty Refundable	22.23	13.50
Advance receivable in cash or in kind	154.22	225.65
Advances to Suppliers	658.23	2,055.95
Advance to Employees (net)	0.30	0.24
	<b>1,644.18</b>	<b>3,265.77</b>

(₹ in Lakhs)

Note 8: INVENTORIES	Current	
	As at 31.03.2020	As at 31.03.2019
Raw Materials	1,384.89	2,416.11
Raw Material-In-Transit	1,395.59	1,224.08
Work-in-Progress	2,394.79	1,355.27
Finished Goods	2,897.92	1,251.53
Stock in Trade (Including in Transit NIL; P.Y. ₹ 369.91 Lakhs)	243.72	419.16
Finished Goods-in-Transit	1,486.75	2,999.12
Others:		
Packing Materials (Including in Transit NIL ; P.Y. ₹ 4.72 Lakhs)	96.28	119.62
Scrap (Including in Transit NIL ; P.Y. ₹ 18.55 Lakhs)	80.03	82.76
Consumable Stores & Spares	205.19	160.59
Fuel	10.10	20.01
	<b>10,195.26</b>	<b>10,048.25</b>

8.1 The cost of inventories recognised as an expenses during the year is disclosed in Note 23 and 24.

8.2 The cost of inventories written down during the year ₹ NIL (P.Y. ₹ NIL)

8.3 The inventories are hypothecated as the security as disclosed in Note 13

(₹ in Lakhs)

Note 9: TRADE RECEIVABLES	Current	
	As at 31.03.2020	As at 31.03.2019
Secured- considered good	799.28	1,568.88
Unsecured- considered good	21,000.14	22,662.63
Unsecured- credit impaired	369.62	257.56
Unsecured- significant increase in credit risk	209.90	-
	<b>22,378.94</b>	<b>24,489.07</b>
Less: Allowance for credit impaired (doubtful debts)	369.62	257.56
Less: Allowance for significant increase in credit risk (doubtful debts)	209.90	-
	<b>21,799.42</b>	<b>24,231.51</b>

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

9.1 Due from Directors , Firm or Private Limited Company	As at 31.03.2020	As at 31.03.2019
Due from a Firm in which a Director of the Parent is a Partner	132.58	447.95

9.2 Trade Receivables are generally non-interest bearing with credit period of 30 days to 90 days.

9.3 The Trade Receivables are net of collection under channel financing facility arranged by the Parent for its customers from a bank to the tune of ₹ 4,795.47 Lakhs (P.Y. ₹ 6,709.97 Lakhs). Also refer Note 29.2.

9.4 The Group's exposure to credit risk, currency risk and market risk related to trade receivables are disclosed in Note 36(C).

9.5 Refer Note for accounting policies on financial instruments.

(₹ in Lakhs)

Note 10A: CASH AND BANK BALANCES	Non-Current	
	As at 31.03.2020	As at 31.03.2019
<b>Other Balance with Banks</b>		
Term Deposits held as Margin money or security against Borrowing, Guarantees or other Commitments having maturity of more than 12 months	0.47	0.79
Less: Amount included under the head Other Financial Assets	0.47	0.79
	-	-

(₹ in Lakhs)

Note 10B: CASH AND BANK BALANCES	Current	
	As at 31.03.2020	As at 31.03.2019
<b>(A) Cash &amp; Cash Equivalents</b>		
(a) Balance with Banks		
Current Accounts	92.97	717.98
Cheques, draft on hand	-	-
(b) Cash on hand	4.76	4.65
	97.73	722.63
<b>(B) Other Balance with Banks</b>		
(a) Unclaimed Dividend Accounts*	30.11	27.89
(b) Term deposits held as margin money or security against Borrowing, Guarantees or other Commitments	61.94	68.72
	92.05	96.61

\* The Parent can utilise these balances only towards settlement of unclaimed dividend.

(₹ in Lakhs)

Note 11: EQUITY SHARE CAPITAL	As at 31.03.2020	As at 31.03.2019
<b>Authorised Capital</b>		
30,000,000 Equity Shares of ₹ 5/- each	1,500.00	1,500.00
<b>Issued, Subscribed and Paid Up Capital</b>		
22,000,000 Equity Shares of ₹ 5/- each fully paid-up	1,100.00	1,100.00
	1,100.00	1,100.00

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### 11.1 Reconciliation of Equity Shares outstanding at the beginning & at the end of the year

Fully Paid up Equity Shares	As at 31.03.2020		As at 31.03.2019	
	Number	₹ in Lakhs	Number	₹ in Lakhs
As at the beginning of the year	22,000,000	1,100.00	22,000,000	1,100.00
Add/(Less):- Change during the year	-	-	-	-
As at the end of the year	22,000,000	1,100.00	22,000,000	1,100.00

### 11.2 Details of Shareholders holding more than 5% Equity Shares #

Name of Shareholder	As at 31.03.2020		As at 31.03.2019	
	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Ram Ratna Research & Holdings Private Limited	3,400,000	15.45	3,400,000	15.45
Mahendrakumar Kabra	1,867,966	8.49	1,867,966	8.49
TMG Global FZCO	1,400,000	6.36	1,400,000	6.36
Rameshwarlal Kabra - As Karta of Rameshwarlal Kabra (HUF)	1,241,000	5.64	1,241,000	5.64

# As per the records of the parent, including its register of members

### 11.3 Terms/ rights attached to Equity Shares

The Parent has only one class of shares referred to as equity shares having face value of ₹ 5/- per share. Each holder of equity shares is entitled to one vote per share. The Dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

As per the Companies Act, 2013 the holders of equity shares will be entitled to receive remaining assets of the company, after the distribution of all preferential amounts in the event of the liquidation of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.



**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

NOTE 12: OTHER EQUITY	Reserves & Surplus			Equity Instruments through OCI	Foreign Currency Translation Reserve	Total attributable to Owners of the Company	Non Controlling Interest
	Security Premium	General Reserve	Retained Earnings				
<b>Balance as at 1<sup>st</sup> April, 2018</b>	763.20	513.00	9,544.95	4,752.48	20.45	15,594.08	617.56
Additions during the year	-	-	-	-	-	-	-
Non Controlling Interest as on date of acquisition	-	-	1,563.45	-	-	1,563.45	32.51
Profit for the year	-	-	-	-	-	-	-
Add/(Less): Items of OCI for the year, net of tax :	-	-	-	-	-	-	-
Exchange difference arising on translation of foreign operation	-	-	-	-	36.77	36.77	-
Remeasurement benefit of defined benefit plans	-	-	2.37	-	-	2.37	0.50
Net fair value gain on investment in equity instruments through OCI	-	-	-	388.01	-	388.01	-
Add/(Less): Reclassification of gain on disposal of investment in equity instrument through OCI	-	-	1,869.26	(1,869.26)	-	-	-
<b>Total Comprehensive Income For the year 2018-19</b>	-	-	3,435.08	(1,481.25)	36.77	1,990.60	33.01
Reductions during the year	-	-	-	-	-	-	-
Dividend	-	-	(275.00)	-	-	(275.00)	-
Income Tax on Dividend	-	-	(56.53)	-	-	(56.53)	-
Transfer to General Reserve	-	-	-	-	-	-	-
<b>Total</b>	-	-	(331.53)	-	-	(331.53)	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	763.20	513.00	12,648.50	3,271.23	57.22	17,253.15	650.57
Additions during the year	-	-	-	-	-	-	-
Profit for the year	-	-	1,444.61	-	-	1,444.61	13.73
Items of OCI for the year, net of tax :	-	-	-	-	-	-	-
Exchange difference arising on translation of foreign operation	-	-	-	-	38.35	38.35	-
Remeasurement benefit of defined benefit plans	-	-	(39.56)	-	-	(39.56)	(1.25)
Net fair value (loss) on investment in equity instruments through OCI	-	-	-	(1,587.72)	-	(1,587.72)	-
<b>Total Comprehensive Income For the year 2019-20</b>	-	-	1,405.05	(1,587.72)	38.35	(144.32)	12.48
Reductions during the year	-	-	-	-	-	-	-
Dividend	-	-	(275.00)	-	-	(275.00)	-
Income Tax on Dividend	-	-	(56.53)	-	-	(56.53)	-
Transfer to General Reserve	-	-	-	-	-	-	-
<b>Total</b>	-	-	(331.53)	-	-	(331.53)	-
<b>Balance as at 31<sup>st</sup> March, 2020</b>	763.20	513.00	13,722.02	1,683.51	95.57	16,777.30	663.05

**12.1 Security Premium**

Security premium is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**12.2 General Reserve**

General Reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. Under the Companies Act, 2013 there is no mandatory requirement for transfer of a specific percentage of net profit to general reserve which was required under the erstwhile Companies Act, 1956.

**12.3 Equity Instruments through Other Comprehensive Income**

This represents the cumulative gains/(losses) arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, it will be reclassified to retained earnings when such assets are disposed off.

**12.4 Foreign Currency Translation Reserve**

Exchange differences relating to the translation of the results and net assets of Joint Venture from their functional currencies to the Parent presentation currency (i.e. ₹) are recognised directly in the Other Comprehensive Income and accumulated in Foreign Currency Translation Reserve.

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

Note 13A: BORROWINGS	Non-Current	
	As at 31.03.2020	As at 31.03.2019
<b>Secured</b>		
Term Loans from Bank		
Ruppee Loans	<b>3,812.76</b>	4,068.83
Vehicle Loans	<b>49.61</b>	11.01
<b>Unsecured</b>		
Loan from Directors	<b>1,510.59</b>	1,470.62
Loan from Promoters & Relatives	<b>702.19</b>	702.19
Inter Corporate Loans	<b>1,314.00</b>	1,184.00
	<b>7,389.15</b>	7,436.65

(₹ in Lakhs)

Note 13B: BORROWINGS	Current	
	As at 31.03.2020	As at 31.03.2019
<b>Secured</b>		
Working Capital Loans		
From Banks		
Ruppee Loans		
Short Term	<b>8,534.94</b>	12,226.83
Repayable on demand	<b>4,734.95</b>	5,188.43
<b>Unsecured</b>		
Working Capital Loans		
From Banks		
Ruppee Loan - Short Term	<b>6,098.21</b>	4,388.26
From Financial Institution		
Ruppee Loans	<b>107.33</b>	744.17
	<b>19,475.43</b>	22,547.69

(₹ in Lakhs)

Note 13.1: Term Loans	Rate of Interest	As at 31.03.2020	As at 31.03.2019
Term Loan I - 9 Quarterly Installments	MCLR+ 0.95%	<b>1,649.66</b>	2,248.54
Term Loan II - 12 Quarterly Installments	MCLR+ 0.95%	<b>974.68</b>	1,299.37
Term Loan III - 6 Quarterly Installments	MCLR+ 0.95%	<b>285.00</b>	475.00
Term Loan IV - 14 Quarterly Installments	MCLR+ 0.80%	<b>3,245.40</b>	1,496.28
		<b>6,154.74</b>	5,519.19
Less : Current maturities of long term borrowing under "Other Financial Liabilities" (Note 14B)		<b>2,341.98</b>	1,450.36
		<b>3,812.76</b>	4,068.83

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

(₹ in Lakhs)

Note 13.2: Vehicle Loans	Rate of Interest	As at 31.03.2020	As at 31.03.2019
Vehicle Loan - I - 8 Monthly Installments	10.50% p.a	0.71	1.68
Vehicle Loan - II - 29 Monthly Installments	8.85% p.a.	9.68	13.13
Vehicle Loan - III - 53 Monthly Installments	9.20% p.a.	54.15	-
Vehicle Loan - IV - 2 Monthly Installments	10.25% p.a.	0.40	2.68
		<b>64.94</b>	17.49
Less : Current maturities of long term borrowing under "Other Financial Liabilities" (Note 14B)		<b>15.33</b>	6.48
		<b>49.61</b>	11.01

- 13.3 The Term loans are secured by:
- First pari passu charge on immovable assets of the Parent located at Survey No. 212/2 and Survey No. 316 at Dadra and Nagar Haveli, Survey No. 16/1 at Village Sayli, Silvassa and Survey No. 205, 206, 207/1, 207/2, 193/1, 193/2 and 327/2/P2 at Waghodia, Dist. Vadodara .
  - First pari passu charge on both present and future movable assets of the Parent (except vehicles of the Parent).
  - Second pari passu charge on entire current assets of the Parent both present and future.
  - Personal guarantees of Managing Director and Joint Managing Director of the Parent and their relative.
- 13.4 The working capital loans of ₹ 1,286.55 Lakhs (P.Y. ₹ 15,027.40 Lakhs) are secured by:
- First pari passu charge on entire current assets of the Parent both present and future.
  - Second pari passu charge on immovable assets of the Parent located at Survey No. 212/2 and Survey No. 316 at Dadra and Nagar Haveli, Survey No. 16/1 at Village Sayli, Silvassa and Survey No. 205, 206, 207/1, 207/2, 193/1, 193/2 and 327/2/P2 at Waghodia, Dist. Vadodara and both present and future movable assets of the Parent (except vehicles of the Parent).
  - Personal guarantees of Managing Director and Joint Managing Director of the Parent and their relative.
- 13.5 The working capital loans of ₹ 1983.34 Lakhs (P.Y. ₹ 2387.86 Lakhs) are secured by:
- First pari passu charge on entire current assets of the Subsidiary both present and future.
  - Second pari passu charge on immovable assets of the Subsidiary located Survey No. 65-66, Village - Garadia Jarod Samlaya Road, TA, Savli, Vadodara.
- 13.6 Personal guarantees have been given by the Managing Director and Joint Managing Director of the Parent for unsecured working capital loans from banks and financial institution availed by the Parent.
- 13.7 Vehicle loans are secured by way of hypothecation of specific vehicle.
- 13.8 Other Unsecured Loans carry interest rates from 10% to 12% with different tenures.
- 13.9 Charges with respected to secured borrowing has been created in favour of security trustee. No separate charge created for each of the borrowing.
- 13.10 In terms of COVID-19 Regulatory Package ("the Package") announced by Reserve Bank of India (RBI) on 27<sup>th</sup> March, 2020, the Parent has applied for availing moratorium of three months (the Payment Deferment) for payment of term loans installments within the period and in accordance with the terms, specified in the Package. The application for availing of this moratorium has been made by way of abundant caution despite there being sufficient credit limits and liquidity being available with the Parent to meet its obligations of term loans installments. This has been done in view of future uncertainties about economic conditions, duration of lockdown, immediate collectability of receivables, temporary close down of factories and business etc. and considering the fact that the aggregate payment of term loans installments of ₹ 187.50 lakhs and ₹ 81.25 lakhs were due on 31<sup>st</sup> March, 2020 for Term Loan I and 3<sup>rd</sup> April, 2020 for Term Loan II, respectively. Pending the internal process prescribed in the Package and approval of application at lender's end, the amount of ₹ 37.11 lakhs has been adjusted by the lender from the available balance, against the installments due for Term Loan I and the balance amount of ₹ 150.39 lakhs upto 11<sup>th</sup> of April, 2020 including installments of ₹ 81.25 lakhs due on 3<sup>rd</sup> April, 2020. On the partial resumption of manufacturing activities at the factory w.e.f. 9<sup>th</sup> April, 2020, considering actual collection and expected collection and availability of credit limits, the Parent has requested

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

lender for withdrawal of the application for the Payment Deferment however, the Parent was initially informed that withdrawal is not permissible. The application for the Payment Deferment stands processed at lenders end in terms of RBI guidelines and the payments made against above term loan installments have been returned to the Company on 30<sup>th</sup> April, 2020. Finally, the amount due against the above installments have been collected by the lender on 18<sup>th</sup> June, 2020 and the account is regularised without any deferment in terms of the Package. The remaining installments of term loans due in the financial year 2020-21 will be payable as per original schedule and accordingly amount payable towards these future instalments including the balance of installments due as on reporting date have been classified into current maturities and balance outstanding reported in non-current liabilities which will be due for payment after 1<sup>st</sup> April, 2021. To the extent of ₹ 150.39 lakhs there is a mismatch in amount reported as current maturity in the financial statement for the year 2019-20 and actual payment made during the year.

13.11 Default in terms of repayment of Principal and Interest - NIL

(₹ in Lakhs)

Note 14A: OTHER FINANCIAL LIABILITIES	Non-Current	
	As at 31.03.2020	As at 31.03.2019
Lease Liabilities	18.88	-
	18.88	-

(₹ in Lakhs)

Note 14B: OTHER FINANCIAL LIABILITIES	Current	
	As at 31.03.2020	As at 31.03.2019
<b>Current maturities of long term borrowings</b>		
Rupee Loans (Note 13.1)	2,341.98	1,450.36
Vehicle Loans (Note 13.2)	15.33	6.48
<b>Investor Education &amp; Protection Fund</b>		
Unclaimed dividends*	30.11	27.89
<b>Other Payables :</b>		
Retention Money relating to capital expenditure	-	5.00
Interest accrued and due	210.61	193.99
Interest accrued but not due	-	3.90
Accrued Salary & Benefits **	226.01	201.54
Creditors for Expenses	789.26	989.52
Forward Exchange Contracts (Net)	53.93	32.66
Creditors for Capital Expenditure	113.76	256.08
Lease Liabilities	20.60	-
Other Payable	13.39	7.42
	<b>3,814.98</b>	<b>3,174.84</b>

\* There is no amount due and outstanding to be transferred to the Investor Education & Protection Fund (IEPF) as at 31<sup>st</sup> March, 2020. Unclaimed Dividends, shall be transferred to IEPF as and when they become due.

\*\* Includes amount of ₹ 12.82 Lakhs (P.Y. ₹ 63.27 Lakhs) payable to the Managing Director of the Parent on account of Commission on profit.

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

Note 15A: PROVISIONS	Non-Current	
	As at 31.03.2020	As at 31.03.2019
<b>Provision for Employee Benefits</b>		
- Leave Encashment	101.39	81.56
- Gratuity	8.14	15.25
	<b>109.53</b>	<b>96.81</b>

(₹ in Lakhs)

Note 15B: PROVISIONS	Current	
	As at 31.03.2020	As at 31.03.2019
<b>Provision for Employee Benefits</b>		
- Leave Encashment	34.20	22.52
- Gratuity	1.73	0.59
	<b>35.93</b>	<b>23.11</b>

(₹ in Lakhs)

Note 16: INCOME TAXES	As at 31.03.2020	As at 31.03.2019
<b>A. The major components of income tax expenses for the year are as under :</b>		
<b>(i) Income tax expenses recognised in profit or (loss)</b>		
(a) Current Tax :		
In respect of current year	526.24	743.67
Short/(Excess) provision of earlier years	(38.86)	14.75
(b) Deferred Tax :		
In respect of current year	(276.88)	111.88
	<b>210.50</b>	<b>870.30</b>
<b>(ii) Income tax expenses recognised in the OCI</b>		
<b>Deferred Tax :</b>		
Deferred Tax on fair value of equity instruments through OCI	(476.06)	(440.63)
Deferred Tax on remeasurements of defined benefit plans	(11.32)	1.35
	<b>(487.38)</b>	<b>(439.28)</b>
<b>B. Reconciliation of estimated income tax expenses and the accounting profit for the year is as under :</b>		
<b>Profit before tax :</b>	<b>1,671.31</b>	<b>2,548.57</b>
Statutory Income Tax rates in India	25.17%	34.94%
Expected Income tax expense at statutory income tax rate	417.42	874.03
Tax effect on non deductible expenses	151.36	149.16
Effect of income that is exempted from tax	(11.16)	(14.54)
Others	(31.38)	(264.98)
Current Tax expense as per Consolidated Statement of Profit and Loss for the year	<b>526.24</b>	<b>743.67</b>

16.1 During the year, the Parent has opted for a lower tax rate under section 115BAA of the Income Tax Act, 1961 as inserted vide Taxation Laws (Amendment) Act, 2019 and the Subsidiary has not opted for the same.

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

<b>C: The major components of deferred tax liabilities/ (assets) are as follows:</b>	<b>As at 31.03.2019</b>	<b>Profit and Loss 2019-20</b>	<b>OCI 2019-20</b>	<b>As at 31.03.2020</b>
<b>Deferred Tax Liabilities</b>				
Difference between written down value/ capital work in progress of property, plant & equipment and intangible assets as per the books of accounts & Income Tax Act, 1961	1,199.15	(291.74)	-	907.41
Others	26.80	(2.79)	-	24.01
Difference in carrying value and tax base of investments in equity measured at FVTOCI	980.89	-	(476.06)	504.83
<b>Deferred Tax Assets</b>				
Provision for expenses allowed for tax purpose on payment basis (net)	(96.51)	47.96	-	(48.55)
Allowance for doubtful debts	(86.63)	(49.31)	-	(135.94)
Unused tax losses	(183.33)	19.53	-	(163.80)
Unused tax credits (MAT)	(97.36)	(5.04)	-	(102.40)
Difference in Right-of-use asset and lease liabilities	-	(0.58)	-	(0.58)
Deposit	(0.13)	0.06	-	(0.07)
Others	(15.58)	6.84	-	(8.74)
Remeasurement benefit of defined benefit plans	(10.88)	(1.81)	(11.32)	(24.01)
Deferred Tax Expenses/ (benefit)		(276.88)	(487.38)	
Net Deferred Tax Liabilities	1,716.42			952.16

(₹ in Lakhs)

<b>Note 17: DEFERRED INCOME</b>	<b>Non-Current</b>	
	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
Grants Related to property, plant & equipment	65.47	111.57
	65.47	111.57

- 17.1 Grants relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under such scheme, the Group is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Group would be required to pay the duty saved along with interest to the regulatory authorities. Such grants are recognised in the statement of profit and loss based on fulfilment of related export obligations.

(₹ in Lakhs)

<b>Note 18: TRADE PAYABLES</b>	<b>Current</b>	
	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>Trade Payables</b>		
Micro, Small & Medium Enterprises	32.44	100.81
Others	3,101.16	6,198.10
	3,133.60	6,298.91

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

Note 19: OTHER LIABILITIES	Current	
	As at 31.03.2020	As at 31.03.2019
<b>Revenue Received in advance</b>		
Contract Liabilities (Note 37)	401.30	418.63
<b>Others</b>		
Statutory Taxes/ dues Payable		
Towards Provident Fund and Professional Tax	22.76	19.59
Towards TDS/TCS and GST Payable	25.33	43.94
	<b>449.39</b>	<b>482.16</b>

(₹ in Lakhs)

Note 20: INCOME TAX LIABILITIES (NET)	Current	
	As at 31.03.2020	As at 31.03.2019
Provision for Income Tax (net of Advance Tax)	77.65	18.82
	<b>77.65</b>	<b>18.82</b>

(₹ in Lakhs)

Note 21: REVENUE FROM OPERATIONS	2019-20	2018-19
<b>Sale of Products</b>	<b>143,208.58</b>	140,209.93
Other Operating Revenues :		
Sale of Scrap	1,093.26	1,534.45
Processing Charges	93.06	200.78
Export Incentive	133.28	176.79
Grant related to property, plant & equipment (EPCG)	87.77	133.98
Bad Debts Recovered	28.08	7.00
	<b>1,44,644.03</b>	<b>1,42,262.93</b>

(₹ in Lakhs)

Note 22: OTHER INCOME	2019-20	2018-19
Interest Income on Financial assets carried at amortised cost		
Bank Deposits	4.52	7.09
Others	93.77	86.07
<b>Dividend Income</b>		
Dividend from unquoted equity investments measured at fair value through OCI	44.34	41.60
Sundry Balances Written Back	7.05	5.68
Workers' Quarters Rent	24.62	26.85
Guarantee Commission	59.52	77.09
Net Foreign Exchange Gain	110.19	127.98
Miscellaneous Income	25.74	4.69
	<b>369.75</b>	<b>377.05</b>



**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

	(₹ in Lakhs)	
<b>Note 23: COST OF MATERIALS CONSUMED</b>	<b>2019-20</b>	2018-19
<b>Raw Materials Consumption</b>		
Copper	<b>120,508.33</b>	121,638.38
Others	<b>6,496.37</b>	6,221.11
Packing Materials	<b>1,340.70</b>	1,406.21
	<b>128,345.40</b>	129,265.70

23.1 For determination of cost (Note 1(d)(vi))

	(₹ in Lakhs)	
<b>Note 24: CHANGE IN INVENTORIES</b>	<b>2019-20</b>	2018-19
<b>Inventories at the end of the year:</b>		
Finished Goods	<b>2,897.92</b>	1,251.53
Finished Goods in Transit	<b>1,486.75</b>	2,999.12
Stock in Trade (including in Transit NIL; P.Y. ₹ 369.91 Lakhs)	<b>243.72</b>	419.16
Work-in-Progress	<b>2,394.79</b>	1,355.27
Scrap (including in Transit NIL ; P.Y. ₹18.55 Lakhs)	<b>80.03</b>	82.76
(A)	<b>7,103.21</b>	6,107.84
<b>Less:- Inventories at the beginning of the year</b>		
Finished Goods	<b>1,251.53</b>	469.57
Finished Goods in Transit	<b>2,999.12</b>	121.12
Stock in Trade (including in Transit ₹ 369.91 Lakhs ; P.Y. NIL)	<b>419.16</b>	129.47
Work-in-Progress	<b>1,355.27</b>	1,317.99
Scrap (including in Transit ₹18.55 Lakhs ; P.Y. NIL)	<b>82.76</b>	230.43
(B)	<b>6,107.84</b>	2,268.58
(B-A)	<b>(995.37)</b>	(3,839.26)

	(₹ in Lakhs)	
<b>Note 25: EMPLOYEE BENEFITS EXPENSE</b>	<b>2019-20</b>	2018-19
Salaries, Wages and Incentives	<b>2,945.71</b>	2,673.26
Director's Remuneration*	<b>160.11</b>	186.47
Contributions to -		
Provident Fund (Note 32 B)	<b>148.00</b>	124.68
Gratuity Fund (Note 32 A)	<b>49.29</b>	40.35
Staff Welfare Expenses	<b>119.22</b>	102.93
	<b>3,422.33</b>	3,127.69

\* Including Commission of ₹ 12.82 Lakhs (P.Y. ₹ 63.27 Lakhs) to Managing Director of Parent.

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

	(₹ in Lakhs)	
<b>Note 26: FINANCE COSTS</b>	<b>2019-20</b>	2018-19
<b>Interest on financial liabilities carried at amortised cost</b>		
Interest on Borrowings	2,788.62	2,771.09
Other Borrowing costs	38.00	136.82
Interest on Lease liabilities	4.52	-
Net loss on foreign currency borrowing transactions and translation	-	1.86
Interest on Income Tax	11.86	-
	<b>2,843.00</b>	2,909.77

	(₹ in Lakhs)	
<b>Note 27: DEPRECIATION AND AMORTISATION EXPENSE</b>	<b>2019-20</b>	2018-19
Depreciation of Property, Plant and Equipment (Note 2A)	1,804.55	1,616.85
Amortisation of Intangible Assets (Note 2C)	23.12	19.47
Depreciation of Right of use assets (Note 2D)	24.56	-
	<b>1,852.23</b>	1,636.32

	(₹ in Lakhs)	
<b>Note 28: OTHER EXPENSES</b>	<b>2019-20</b>	2018-19
Auditors' Remuneration	35.55	34.15
Bank Charges	40.53	40.57
Consumption of Consumable Stores and Spares	601.14	528.65
Power and Fuel	2,847.87	2,473.33
Freight & Handling Charges	1,243.03	1,235.99
Corporate Social Responsibility Expenses	67.01	59.00
Donations	165.02	41.27
Insurance	43.31	53.42
Loss on Sale of Property Plant & Equipment	9.00	10.37
Legal & Professional Fees	119.97	101.28
Allowance doubt full debt		
Allowance provided during the year	321.96	159.30
Amount written off	222.60	2.35
Rent	12.85	31.14
Repairs and Maintenance of :		
Buildings	64.14	21.40
Plant and Machinery	308.72	311.48
Others	40.91	41.61
Rates and Taxes	46.87	52.50
Commission on sales	108.37	99.83
Business Promotion	27.22	58.39
Travelling	128.35	125.66
Miscellaneous Expenses	283.23	284.62
	<b>6,737.65</b>	5,766.31

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

(₹ in Lakhs)

Note 29 : CONTINGENT LIABILITIES AND COMMITMENTS	As at 31.03.2020	As at 31.03.2019
<b>A. Contingent Liabilities</b>		
i) Claims against the Company not acknowledged as debts (Note 29.1)		
Income Tax Demands	35.76	56.54
Excise & Service Tax Demands	781.18	794.99
Sales Tax Demands	-	4.81
<b>B. Commitments</b>		
(i) Estimated amount of contracts remaining to be executed and not provided for		
- On Capital Account (Net of advance)	73.37	282.97
(ii) Estimated amount of Investment		
- in Joint Venture (Jointly Controlled Entity)	95.28	70.13
(iii) Letter of credit and bank guarantees issued by the banks	1,513.39	1,076.55
(iv) For Lease commitment	2.40	6.73
(v) For derivative contract (Note 35)		

- 29.1 The Group is contesting the demands and the management, including its tax advisors, believe that its position will likely to be upheld in the appellate process and accordingly, no provision has been made in the financial statements for the tax demands raised. The management believes that the ultimate outcome of these proceedings will not have material adverse effect on the Group's financial position and results of operations.
- 29.2 The Parent has arranged Channel Finance facility with recourse for its customers from bank against which sum of ₹ 4,988.11 Lakhs (P.Y. ₹ 6,829.02 Lakhs) has been utilised as on the date of balance sheet and correspondingly, the trade receivables stand reduced by ₹ 4,795.47 Lakhs (P.Y. ₹ 6,709.97 Lakhs) (net of advance).
- 29.3 Details of the Jointly Controlled Entity have been disclosed at full value and not to the extent of the Parent interest.

(₹ in Lakhs)

Note 30: CALCULATIONS OF EARNINGS PER SHARE	2019-20	2018-19
Profit after Tax (₹ in Lakhs)	1,444.61	1,563.45
Weighted average number of equity shares outstanding during the year (Nos.)	22,000,000	22,000,000
Face value of equity share (in ₹)	5.00	5.00
<b>Earnings Per Share</b>		
Basic Earnings Per Share (in ₹)	6.57	7.11
Diluted Earnings Per Share (in ₹)	6.57	7.11

### Note 31 : SEGMENT INFORMATION

#### a) Basis of Segmentation

Factors used to identify the reportable segments:

The Group has following business segments, which are its reportable segments. These segments offer different products which are managed separately because they require different technology and production processes.

Reportable Segment	Operations
Enamelled wires and strips	Manufacturing of Enamelled wires and strips
Copper tubes and pipes	Trading and Manufacturing of Copper tubes and pipes

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker.

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

The measurement principles of segments are consistent with those used in Significant Accounting Policies. Inter-segment transactions are determined on an arm's length basis.

(₹ in Lakhs)

Particulars	2019-20			2018-19		
	Enamelled wires and strips	Copper tubes and pipes	Total	Enamelled wires and strips	Copper tubes and pipes	Total
i) Segment Revenue	125,462.30	19,181.73	144,644.03	124,952.36	17,310.57	142,262.93
ii) Segment Results	1,635.57	33.27	1,668.84	2,360.30	105.96	2,466.26
iii) Other Information						
a) Segment assets	45,870.74	8,191.78	54,062.52	52,492.68	8,418.02	60,910.70
b) Segment Liabilities	28,985.63	6,536.54	35,522.17	35,112.82	6,794.16	41,906.98
c) Capital Expenditure	1,494.33	83.93	1,578.26	3,770.12	190.55	3,960.67
d) Depreciation and Amortisation Expense	1,736.34	115.89	1,852.23	1,526.34	109.98	1,636.32

b) Revenue from external Customers:

(₹ in Lakhs)

Particulars	2019-20	2018-19
- India	133,641.89	131,083.78
- Outside India	10,857.32	10,922.66
<b>Total Revenue</b>	<b>144,499.21</b>	<b>142,006.44</b>

c) All non current assets of the Group are located in India.

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

### Note 32 : EMPLOYEE BENEFITS

#### A) Defined Benefit Plan- Gratuity

The employees' Gratuity Fund Scheme, is a defined benefit plan. The scheme is maintained and administered by Life Insurance Corporation of India (LIC) to which the Parent makes periodical contributions. Further, during the year the subsidiary has also formed a scheme which is also to be maintained and administered by LIC. Under the scheme, every employee who has completed at least five years of service usually gets gratuity on departure @ 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

The following table summarises the components of net benefits expense recognised in the consolidated statement of profit and loss and the funded status and amounts recognised in the balance sheet :

(₹ in Lakhs)

Particulars	Gratuity	
	2019-20	2018-19
<b>i) Change in Defined Benefit Obligation</b>		
Obligation at the beginning of the year	358.21	310.95
Current Service Cost	55.20	43.56
Interest Cost	26.58	23.32
Past Service Cost	-	-
Benefits Paid	(10.62)	(10.91)
Remeasurement (gains)/ losses	50.25	(8.72)
<b>Defined Benefit Obligation at year end</b>	<b>479.62</b>	<b>358.21</b>

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

Particulars	Gratuity	
	2019-20	2018-19
<b>ii) Change in Plan Assets</b>		
Fair value of plan assets at the beginning of the year	404.47	331.87
Expected Return on plan assets	32.59	26.54
Employer Contributions	75.68	60.09
Benefits Paid	(10.62)	(10.91)
Remeasurement (losses)/gains	(3.36)	(3.12)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>498.76</b>	<b>404.47</b>
<b>iii) Amount recognized in the Balance Sheet</b>		
Present value of funded defined benefit obligation	479.62	358.21
Fair value of plan assets at the end of the year	498.76	404.47
Amount not recognized due to assets limit	-	1.37
<b>Amount Recognized in the Balance Sheet (Net)</b>	<b>(19.14)</b>	<b>(44.89)</b>
<b>iv) Expenses recognized in the Statement of Profit and Loss</b>		
<b>Employee Benefits Expense</b>		
Current Service Cost	55.20	43.56
Past Service Cost	-	-
Interest Cost including interest on value of asset ceiling	26.68	23.32
Expected Return on plan assets	(32.59)	(26.54)
	(A) 49.29	40.35
<b>Other Comprehensive Income</b>		
(Gain)/ Loss on plan assets	3.36	3.12
Actuarial (gain)/loss arising from changes in financial assumption	46.57	1.55
Actuarial (gain)/loss arising from changes in demographic assumption	-	(0.05)
Actuarial (gain)/loss arising on account of experience changes	3.68	(10.21)
Actuarial (gain)/loss arising on account of adjustment to recognize the effect of assets ceiling	(1.48)	1.37
	(B) 52.13	(4.22)
<b>Expenses recognised in the statement of profit and loss</b>	(A)+(B) 101.42	36.13
	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>
<b>v) Investment details</b>		
LIC- Administrator of the plan funds	498.76	404.47
<b>vi) Principal assumption used in determining defined benefit obligation</b>		
Discount rate (per annum)	6.30% - 6.75%	7.60% - 7.75%
Salary escalation rate (per annum)	7% - 10%	7% - 10%
<b>vii) Sensitivity Analysis</b>		
<b>Increase in 50bps on DBO</b>		
Change in discounting rate	(23.18)	(16.45)
Change in Salary Escalation	24.79	17.77

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Decrease in 50bps on DBO</b>		
Change in discounting rate	25.21	17.82
Change in Salary Escalation	(23.16)	(16.55)
<b>viii) Maturity profile of defined benefit obligation</b>		
Within the next 12 months (next annual reporting period)	45.06	30.16
Between 2 and 5 years	116.31	93.42
Between 5 and 10 years	204.40	172.84

- 1 The average duration of the defined benefit plan obligation at the end of the reporting period is 10.13 years to 14.10 years.
- 2 The Group expects to contribute ₹ 50 Lakhs to the plan during the next financial year.
- 3 The estimates of rate of escalation in salaries considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
- 4 Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- 5 The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method.

**B) Defined Contribution Plan - Provident fund**

The Group makes its contribution alongwith the share of employees' contribution deducted from salary on monthly basis to Employees' Provident Fund administered by the Central Government. The Group's Contribution is charged to Statement of Profit & Loss. The Group has no obligation for any further contribution in case of any shortfall. The details of contribution are as under :-

(₹ in Lakhs)

Particulars	2019-20	2018-19
Contribution to Provident Fund	148.00	124.68

**C) Other Employee benefits -Leave Encashment**

The employees of the Group are entitled for the compensation in respect of unavailed leave as per the policy of the respective group companies. The liability towards compensated absences for the Company is recognised based on actuarial valuation carried out using Projected Unit Credit method and that for the Subsidiary on actual basis.

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Amount recognized in the Balance Sheet</b>		
Current Liability	34.20	22.52
Non- Current Liability	101.39	81.56

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

**Note 33 : FORM AOC-I: Statement containing salient features of the financial statements of Subsidiaries and Joint Ventures (Pursuant to section 129(3) of the Act read with rule 5 of Companies (Accounts) Rules, 2014)**

### A) Subsidiary (₹ in Lakhs)

i) Name of Subsidiary	Global Copper Pvt. Ltd.
ii) Reporting period	01.04.2019 to 31.03.2020
iii) Reporting currency	Indian ₹
iv) Share capital	107.69
v) Reserves & surplus	1,549.91
vi) Total liabilities	6,536.54
vii) Total assets	8,194.14
viii) Investments	43.5
ix) Turnover	19,181.73
x) Profit before taxation	33.09
xi) Provision for tax	(1.24)
xii) Profit after taxation	34.33
xiii) Proposed dividend	NIL
xiv) % of shareholding	60%
1. Names of subsidiaries which are yet to commence operations- NIL	
2. Names of subsidiaries which have been liquidated or sold during the year-NIL	

### B) Jointly Controlled Entity (₹ in Lakhs)

i) Name of Joint Venture	RR-Imperial Electricals Ltd.
ii) Latest audited balance sheet date	31.03.2020
iii) Date on which acquired	10% investment on various dates
iv) Shares of Joint Ventures held by the Company as at 31 <sup>st</sup> March, 2020	
No. of Equity shares	6340244
Amount of Investment in Joint Venture (₹ in Lakhs)	467.72
Extent of Holding %	10%
v) Description of how there is Significant influence :-	Not Applicable
vi) Reason Why Associate/Joint Venture not Consolidated :-	Consolidated
vii) Net worth attributable to Shareholding as per latest audited balance sheet (₹ in Lakhs)	472.91
viii) Profit/(Loss) for the year :-	
Considered in Consolidation (₹ in Lakhs)	(2.47)
Not Considered in Consolidation	NIL
1. Names of jointly controlled entity which are yet to commence operations- NIL	
2. Names of jointly controlled entity which have been liquidated or sold during the year-NIL	



## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### Note 34: Disclosure in respect of Related Parties pursuant to Ind AS- 24 "Related Party Disclosures"

List of Related Parties with whom transactions have taken place - (as certified by Management)

#### a) Key Management Personnel

Shri Tribhuvanprasad Kabra	- Chairman (resigned as M.D. w.e.f. 30 <sup>th</sup> May, 2019 )
Shri Mahendrakumar Kabra	- Managing Director
Shri Hemant Kabra	- CFO & Executive Director

#### Non Executive Directors

Dr. Ajai Singh	Shri Prashant Deshpande (retired w.e.f. 12 <sup>th</sup> Feb, 2020)
Shri Ramesh Chandak	Shri Upendra Kamath
Shri Sandeep Jhanwar	Smt. Kirtidevi Kabra
Shri R. Kannan	

#### b) Close Family Members of Key Management Personnel

Shri Rameshwarlal Kabra (Appointed as Chairman Emeritus w.e.f.17 <sup>th</sup> Sept, 2019)	- Father of Shri Tribhuvanprasad Kabra & Shri Mahendrakumar Kabra
Smt. Ratnidevi Kabra	- Mother of Shri Tribhuvanprasad Kabra & Shri Mahendrakumar Kabra
Shri Shreegopal Kabra	- Brother of Shri Tribhuvanprasad Kabra & Shri Mahendrakumar Kabra
Smt. Umadevi Kabra	- Wife of Shri Tribhuvanprasad Kabra
Shri Mahhesh Kabra	- Son of Shri Tribhuvanprasad Kabra
Shri Sumeet Kabra	- Son of Shri Mahendrakumar Kabra

#### c) Entities over which Key Management and their close family members are able to exercise significant influence

MEW Electricals Ltd.	R R Kabel Ltd.
Ram Ratna International	Ram Ratna Research & Holdings Pvt. Ltd.
Kabel Buildcon Solutions Pvt. Ltd.	Shreegopal Kabra (HUF)
Ram Ratna Electricals Ltd.	Rameshwarlal Kabra (HUF)
Ram Ratna Infrastructure Pvt. Ltd.	Jag-Bid Finvest Pvt. Ltd.
Pratik Wire & Cable Machines Pvt. Ltd.	Gallery Retail LLP
TMG Global Fzco.	

#### d) Other Related Party

Ram Ratna Wires Limited Emp Group Gratuity Scheme	- Post Employment Benefit Plan Entity
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### Transactions with the related parties in the ordinary course of business (Excluding Reimbursement)

(₹ in Lakhs)

Particulars	Referred in		Referred in		Referred in	
	(a) above		(b) above		(c) & (d) above	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Purchases: Goods and Services</b>						
RR Kabel Ltd.	-	-	-	-	2,177.28	3,990.51
MEW Electricals Ltd.	-	-	-	-	8.63	98.01
Ram Ratna International	-	-	-	-	407.66	215.56
Ram Ratna Electricals Ltd.	-	-	-	-	3.33	1.28
Pratik Wire & Cable Machines Pvt. Ltd.	-	-	-	-	-	40.95
Gallery Retail LLP	-	-	-	-	-	1.15

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

Particulars	Referred in		Referred in		Referred in	
	(a) above		(b) above		(c) & (d) above	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Sales: Goods and Services</b>						
R R Kabel Ltd.	-	-	-	-	2.78	6.46
Ram Ratna International	-	-	-	-	4,366.91	4,100.07
MEW Electricals Ltd.	-	-	-	-	24.82	15.48
<b>Capital Goods:</b>						
R R Kabel Ltd. (Purchases)	-	-	-	-	29.91	75.99
Ram Ratna Electricals Ltd. (Purchases)	-	-	-	-	0.74	15.68
<b>Income :</b>						
Interest on security deposits (Rent)	0.63	0.57	0.77	0.69	0.91	1.01
<b>Expenses:</b>						
Rent/Lease Liabilities payment (Including GST)	2.40	2.99	4.59	5.13	26.40	18.04
Interest	175.03	119.71	70.39	48.07	102.79	107.19
<b>Directors :</b>						
Sitting Fees	12.60	13.40	-	1.30	-	-
Remuneration – Shri Mahendrakumar Kabra	99.91	131.27	-	-	-	-
Salary – Shri Hemant Kabra (Note 34.1)	47.00	42.00	-	-	-	-
<b>Dividend :</b>						
Dividend Paid	42.69	42.69	36.78	36.78	109.11	109.11
Dividend Received	-	-	-	-	44.35	41.60
<b>Contribution Made :</b>						
Ram Ratna Wires Limited Emp Group Gratuity Scheme	-	-	-	-	59.38	60.09
<b>Deposits / Loans Accepted</b>						
Shri Rameshwarlal Kabra	-	-	-	41.00	-	-
Shri Tribhuvanprasad Kabra	-	68.00	-	-	-	-
Shri Mahendrakumar Kabra	110.00	722.00	-	-	-	-
Smt. Kirtidevi Kabra	-	123.00	-	-	-	-
Smt. Ratnidevi Kabra	-	-	-	190.00	-	-
Smt. Umadevi Kabra	-	-	-	135.00	-	-
Shri Shreegopal Kabra	-	-	-	15.00	-	-
Ram Ratna Research & Holdings Pvt. Ltd.	-	-	-	-	80.00	414.00
<b>Deposits / Loans Repaid</b>						
Shri Tribhuvanprasad Kabra	-	150.00	-	-	-	-
Shri Rameshwarlal Kabra	-	-	63.03	-	-	-
Shri Mahendrakumar Kabra	7.00	-	-	-	-	-
Smt. Umadevi Kabra	-	-	-	55.92	-	-
R R Kabel Ltd.	-	-	-	-	-	300.00
Ram Ratna Research & Holdings Pvt. Ltd.	-	-	-	-	-	40.00

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

Particulars	Referred in		Referred in		Referred in	
	(a) above		(b) above		(c) & (d) above	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
<b>Outstanding as at :</b>						
<b>Rental Deposits</b>						
Smt. Umadevi Kabra	-	-	8.09	7.32	-	-
Shri Hemant Kabra (Late Smt. Hemlata Kabra)	6.62	6.00	-	-	-	-
Shri Shreegopal Kabra (HUF)	-	-	-	-	6.15	7.50
Kabel Buildcon Solutions Pvt. Ltd.	-	-	-	-	3.50	3.17
<b>Trade and Others-Net (Payable)/Receivable</b>						
Ram Ratna International	-	-	-	-	(46.87)	351.41
Ram Ratna Electricals Ltd.	-	-	-	-	(1.04)	(0.36)
MEW Electricals Ltd.	-	-	-	-	(0.12)	-
R R Kabel Ltd.	-	-	-	-	(1,633.16)	(2,759.09)
Kabel Buildcon Solutions Pvt. Ltd.	-	-	-	-	(0.36)	-
Shri Shreegopal Kabra	-	-	(0.04)	-	-	-
Lease Liabilities	(2.27)	-	(2.15)	-	(16.18)	-
Interest accrued & due on Deposits/Loans	(39.33)	(37.35)	(14.46)	(11.68)	(13.76)	(12.42)
<b>Loans Outstanding</b>						
Ram Ratna Research & Holdings Pvt. Ltd.	-	-	-	-	514.00	434.00
Shri Rameshwarlal Kabra	-	-	-	63.03	-	-
Smt. Umadevi Kabra	-	-	135.50	135.50	-	-
Shri Hemant Kabra	100.00	100.00	-	-	-	-
Shri Tribhuvanprasad Kabra	15.17	15.17	-	-	-	-
Shri Mahendrakumar Kabra	1,249.00	1,146.00	-	-	-	-
Smt. Kirtidevi Kabra	146.42	146.42	-	-	-	-
Smt. Ratnidevi Kabra	-	-	280.49	280.49	-	-
Shri Shreegopal Kabra	-	-	205.54	205.54	-	-
TMG Global Fzco.	-	-	-	-	1,118.58	1,020.39
Others	-	-	23.12	23.12	-	-

- 34.1 Personal guarantees have been given by the Chairman and Managing Director of the Parent and their relative for the secured and unsecured borrowings of the Parent to the tune of ₹ 28,327 Lakhs (P.Y. ₹ 25,660 Lakhs) and ₹ 2,500 Lakhs (P.Y. ₹ Nil).
- 34.2 Personal guarantees have been given by the Chairman and the Managing Director of the Parent for the unsecured borrowings by the Company to the tune of ₹ 8,750 Lakhs (P.Y. ₹ 6,250 Lakhs).
- 34.3 Personal guarantees have been given by the Directors of the Subsidiary for the secured borrowings of the Subsidiary to the tune of ₹ 1,500 Lakhs (P.Y. ₹ Nil).
- 34.4 The Parent has contributed ₹ 60.00 lakhs (P.Y. ₹ 20 Lakh) to a charitable trusts in which some of the directors of the Parent are trustee.
- 34.5 Transactions with Jointly Controlled Entity have been disclosed at its full value and not to the extent of share of the Parent.

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### Note : 35 EXPOSURE IN FOREIGN CURRENCY

The Company uses forward contracts to mitigate the risks associated with foreign currency fluctuations. The Company does not enter into any forward contracts which are intended for trading or speculative purposes.

a) The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:-

Particulars	As at 31.03.2020		As at 31.03.2019	
	USD	INR	USD	INR
Booked against Import Creditors	-	-	46.69	3,285.51
Booked against firm commitments or highly probable forecasted transactions	24.10	1,782.74	3.10	224.83

b) The details of foreign currency monetary exposures that are not hedged by derivatives instruments:

Payables	As at 31.03.2020		As at 31.03.2019	
	USD	INR	USD	INR
Import Creditors / (Advance)	24.70	1,862.11	34.07	2,411.95

Receivables	As at 31.03.2020		As at 31.03.2019	
	USD	INR	USD	INR
Export Debtors	15.77	1,188.28	6.58	457.27

### Note 36: A) Category-wise classification of financial instruments

Particulars	Refer Note	Non-Current		Current	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
<b>Financial assets measured at fair value through profit or loss (FVTPL)</b>					
Investments in quoted mutual funds	3	43.25	39.73	-	-
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>					
Investments in unquoted equity shares#	3	2,210.70	4,274.48	-	-
<b>Financial assets measured at amortised cost</b>					
Electricity & other deposits	4A	7.61	6.41	-	-
Security deposits	4A & 4B	12.77	13.32	11.59	10.67
Loan to employees	4A & 4B	1.40	2.01	29.58	17.21
Share application money	5A	1.38	1.27	-	-
Term Deposits held as margin money or security against borrowing, guarantees or other commitments	5A	0.47	0.47	-	-
Interest accrued on term deposits held as margin money or security against borrowing, guarantees or other commitments	5B	-	-	3.70	4.08
Others	5B	-	-	3.45	1.07
Trade receivables	9	-	-	21,799.42	24,231.51

**NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)**

(₹ in Lakhs)

Particulars	Refer Note	Non-Current		Current	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Cash and cash equivalents	10B	-	-	97.73	722.63
Other balances with banks	10B	-	-	92.05	96.61
<b>Financial Liabilities measured at fair value through profit or loss (FVTPL)</b>					
Forward exchange contract (net)	14B	-	-	53.93	32.66
<b>Financial Liabilities measured at amortised cost</b>					
Borrowings	13A & 13B	7,389.15	7,436.65	19,475.43	22,547.69
Lease Liabilities	14A & 14B	18.88	-	20.60	-
Current maturities of long term borrowings	14B	-	-	2,357.31	1,456.84
Unclaimed dividend	14B	-	-	30.11	27.89
Retention money relating to capital expenditure	14B	-	-	-	5.00
Interest accrued and due	14B	-	-	210.61	193.99
Interest accrued but not due	14B	-	-	-	3.90
Accrued salary & benefits	14B	-	-	226.01	201.54
Creditors for expenses	14B	-	-	789.26	989.52
Creditors for capital expenditure	14B	-	-	113.76	256.08
Other payables	14B	-	-	13.39	7.42
Trade payables	18	-	-	3,133.60	6,298.91

# Investments are not held for trading. Upon the application of Ind AS 109 - Financial Instruments, the Group has chosen to measure said investments in equity instrument at FVTOCI irrevocably as the management believes that presenting fair value gains and losses relating to the said investments in the statement of profit and loss may not be indicative of the performance of the Group.

**B) Fair Value Measurements**

- (i) All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows:
- Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 — inputs that are unobservable for the asset or liability.
- (ii) The following tables provide the fair value measurement hierarchy of the Group's financial assets and liabilities:

**As at 31<sup>st</sup> March, 2020**

(₹ in Lakhs)

Financial Assets/ Financial Liabilities	Fair value as at 31.03.2020	Fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value through profit or loss (FVTPL)</b>				
Investments in quoted mutual funds (Note 3)	43.25	43.25	-	-
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>				
Investments in unquoted equity shares (Note 3)	2,210.70	-	2,210.70	-
<b>Financial liabilities measured at fair value through profit or loss (FVTPL)</b>				
Forward exchange contracts (net) (Note 14B)	53.93	53.93	-	-

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

As at 31<sup>st</sup> March, 2019

(₹ in Lakhs)

Financial Assets/ Financial Liabilities	Fair value as at 31.03.2019	Fair value hierarchy		
		Level 1	Level 2	Level 3
<b>Financial assets measured at fair value through other comprehensive income</b>				
Investments in unquoted equity shares (Note 3)	39.73	39.73	-	-
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>				
Investments in unquoted equity shares (Note 3)	4,274.48	-	4,274.48	-
<b>Financial liabilities measured at fair value through profit or loss (FVTPL)</b>				
Forward exchange contracts (net) (Note 14B)	32.66	32.66	-	-

(iii) Fair value of financial assets and liabilities measured at amortised cost:

(₹ in Lakhs)

Particulars	As at 31.03.2020		As at 31.03.2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Electricity & other deposits	7.61	7.61	6.41	6.41
Security deposits	27.00	24.36	27.00	23.99
Loan to employees	31.68	30.98	19.92	19.22
Share application money	1.38	1.38	1.27	1.27
Term Deposits held as margin money or security against borrowing, guarantees or other commitments	0.47	0.47	0.47	0.47
Interest accrued on term deposits held as margin money or security against borrowing, guarantees or other commitments	3.70	3.70	4.08	4.08
Others	3.45	3.45	1.07	1.07
Trade receivables	21,799.42	21,799.42	24,231.51	24,231.51
Cash and cash equivalents	97.73	97.73	722.63	722.63
Other balances with banks	92.05	92.05	96.61	96.61
<b>Total Financial Assets</b>	<b>22,064.49</b>	<b>22,061.15</b>	25,110.97	25,107.26
<b>Financial Liabilities</b>				
Borrowings	26,866.61	26,864.58	29,988.01	29,984.34
Lease Liabilities	43.50	39.48	-	-
Current maturities of long term borrowings	2,358.64	2,357.31	1,458.98	1,456.84
Unclaimed dividend	30.11	30.11	27.89	27.89
Retention money relating to capital expenditure	-	-	5.00	5.00
Interest accrued and due	210.61	210.61	193.99	193.99
Interest accrued but not due	-	-	3.90	3.90
Accrued salary & benefits	226.01	226.01	201.54	201.54
Creditors for expenses	789.26	789.26	989.52	989.52
Creditors for capital expenditure	113.76	113.76	256.08	256.08
Other payables	13.39	13.39	7.42	7.42
Trade payables	3,133.60	3,133.60	6,298.91	6,298.91
<b>Total Financial Liabilities</b>	<b>33,785.49</b>	<b>33,778.11</b>	39,431.24	39,425.43

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

The carrying amounts of financial assets (other than security deposits and loan to employees) and financial liabilities (Other than long term borrowing and lease liabilities) measured at amortised cost in the financial statements are reasonable approximation of their fair values since the Group does not anticipate that the carrying amount would be significantly different from the value that would eventually be received or settled.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

There have been no transfers between Level 1 and Level 2 for the years ended 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019.

### C) Financial Risk Management- Objectives and Policies

The Group is exposed to: (a) Market Risks comprising of Interest Rate Risk, Currency Rate Risk, Commodity Price Risk and Equity Price Risk (b) Credit Risk comprising of trade receivable risk and financial instrument risk and (c) Liquidity Risk. The Group has well placed Risk Management Policy (RMP). The policy provide broad guidelines to identify the risk arising from these factors and provide guidelines to the team for its mitigation or at-least minimize its effect on income / expense on the Group is optimized. Team involved in RMP meets frequently to discuss the level of risk they foresee based on the conditions persisting.

The Group's exposure to Market Risk, Credit Risk and Liquidity Risk have been summarized below:

#### Market Risk :-

##### Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on short-term and long-term floating rate interest bearing liabilities. The Group's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by prevailing interest rates. These exposures are reviewed by the management on a periodic basis.

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

Particulars	(₹ in Lakhs)	
	Impact on profit before tax	
	2019-20	2018-19
Increase in interest rate by 100 basis points	(291.57)	(314.24)
Decrease in interest rate by 100 basis points	291.57	314.24

(Calculated based on risk exposure outstanding as of date and assuming that all other variables, in particular foreign currency rates, remain constant).

##### Foreign Currency Risk:

The Group is exposed to fluctuations in foreign currency exchange rates where transaction references more than one currency and/or where assets/liabilities are denominated in a currency other than the functional currency of the Group.

Exposures on foreign currency are managed through a hedging policy, which is reviewed periodically by the management. The Group usually enters into forward exchange contracts progressively based on their maturity to hedge the effects of movements in foreign currency exchange rates individually on assets and liabilities. The sources of foreign exchange risk for the Group are trade receivables, trade payables for imported materials & capital goods as well as foreign currency denominated borrowings. The policy of the Group is to determine on a regular basis what portion of the foreign exchange risk are to be hedged through forward exchange contracts.



## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

The exposure of the Group's foreign currency risk based on unhedged exposure as at the reporting date is as follows:

(₹ in Lakhs)

Particulars	Impact on profit before tax	
	2019-20	2018-19
Increase in exchange rates by 5%	(33.69)	(97.74)
Decrease in exchange rates by 5%	33.69	97.74

### Commodity Price Risk

The Group is exposed to the movement of copper and aluminium prices on the London Metal Exchange (LME). Any increase or decline in the prices of these commodities will have an impact on the profitability of the Group. As a general policy, the Group aims to purchase these commodities at prevailing market prices and also sell the product at price adjusted for prevailing market prices. The Group substantially ensures sale of products with simultaneous purchase of these commodities on back-to back basis ensuring no or minimum price risk for the Group.

### Equity Price Risk

Equity price risk relates to change in fair value of investments in the equity instruments measured at fair value through OCI. As at 31<sup>st</sup> March, 2020 the carrying value of such equity instruments recognised at fair value through OCI amounts to ₹ 2,210.45 Lakhs (P.Y. ₹ 4,274.23 Lakhs).

A sensitivity analysis demonstrating the impact of change in the carrying value of investment in equity instrument as at reporting date is given below:

(₹ in Lakhs)

Particulars	Impact on OCI before tax	
	2019-20	2018-19
Increase by 5%	110.52	213.71
Decrease by 5%	(110.52)	(213.71)

### Liquidity Risk

Liquidity risk refers to the risk that the Group encounter difficulty in raising fund to meet its financial commitments. The objective of liquidity risk management is to maintain the liquidity and to ensure that funds are available for short operational needs and to fund Group's expansion projects. The Group has availed credit facility from the banks & financial institutions to meet its financial commitment in timely and cost effective manner.

The Group remains committed to maintaining a healthy liquidity and gearing ratio and strengthening the balance sheet. The maturity profile of the Group's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below.

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Total	Carrying Value
<b>At 31<sup>st</sup> March, 2020</b>				
Borrowings (Note 13A and 13B)	19,475.43	7,389.15	26,864.58	26,864.58
Derivative financial liability (Note 14B)	53.93	-	53.93	53.93
Other financial liabilities (Note 14A and 14B)	3,761.05	18.88	3,779.93	3,779.93
Trade Payables (Note 18)	3,133.60	-	3,133.60	3,133.60

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 to 5 years	Total	Carrying Value
At 31 <sup>st</sup> March, 2019				
Borrowings (Note 13A and 13B)	22,547.69	7,436.65	29,984.34	29,984.34
Derivative financial liability (14B)	32.66	-	32.66	32.66
Other financial liabilities (Note 14A and 14B)	3,142.18	-	3,142.18	3,142.18
Trade Payables (Note 18)	6,298.91	-	6,298.91	6,298.91

### Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk for trade receivables and financial guarantees for dealers, derivative financial instruments and other financial assets.

The Group assess the counter party before entering into transactions and wherever necessary supplies are made against advance payment. The Group on continuous basis monitor the credit limit of the counter parties to mitigate or minimise the credit risk. The credit risk for the financial guarantees issued by the Parent to bank for credit facilities availed by Parent's dealers from bank is minimum as those parties have long vintage with the Parent and they are also subject to credit risk assessment by bank on periodical basis. The credit risk on export receivables are limited as almost all export sales are made to parties having a long vintage with the Group and new parties are subject to necessary due diligence.

For trade receivables, as a practical expedient, the Group computes credit loss allowance based on expected credit loss method. The movement in expected credit loss allowance on trade receivable is as under:

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Balance at the beginning of the year	257.56	98.25
Add/(Less): Allowance(reversal) for impairment for the year	544.56	159.31
Less:- Amount written off during the year	222.60	-
Balance at the end of the year	579.52	257.56

### Risk due to COVID - 19 pandemic

The outbreak of Coronavirus (COVID - 19) pandemic globally and in India has led to unpredictable challenges for the human mankind. This pandemic has caused disturbance and slowdown down in the economic activities worldwide and impacted business, by interruption in supply and demand chain, unavailability of personnel, closure of production facilities and offices and paused unforeseen challenges before business. The operations were temporary shutdown due to national lockdown. The Company has considered external and internal information in assessing the impact of COVID - 19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date.

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### Note 37: REVENUE FROM CONTRACTS WITH CUSTOMERS

#### Disaggregation of Revenue from Contract with Customers

The revenue is recognised at a point in time considering the contract terms and business practice. The following summary provides the disaggregation of revenue from contracts with customers :

(₹ in Lakhs)

Particulars	2019-20			2018-19		
	Enamelled wires and strips	Copper tubes and pipes	Total	Enamelled wires and strips	Copper tubes and pipes	Total
<b>Sale of Products</b>						
India	113,357.59	19,012.00	132,369.59	112,672.64	16,614.63	129,287.27
Outside India	10,687.58	151.41	10,838.99	10,338.6	583.99	10,922.59
<b>Processing Fees</b>	93.06	-	93.06	200.15	0.63	200.78
<b>Sale of Scrap</b>	1,179.24	-	1,179.24	1,595.73	-	1,595.73
	125,317.47	19,163.41	144,480.88	124,807.12	17,199.25	142,006.37
<b>Inter Segment Revenue</b>	(85.98)	-	(85.98)	(61.28)	-	(61.28)
<b>Revenue from Contract with Customers</b>	<b>125,231.49</b>	<b>19,163.41</b>	<b>144,394.90</b>	<b>124,745.84</b>	<b>17,199.25</b>	<b>141,945.09</b>

(₹ in Lakhs)

Summary of Contract Balance	As at 31.03.2020	As at 31.03.2019
Trade Receivable (Note 9)	21,799.42	24,231.51
Contract Assets	-	-
Contract Liabilities (Note 19)	401.30	418.63

Trade receivables are non-interest bearing with credit terms of 30 days to 90 days. Contract liabilities are towards advance received from customers for goods to be delivered.

The Company has recognised revenue amounting to ₹ 400.83 lakhs in the current period that was included in the Contract Liability balance in previous year i.e. as at 31<sup>st</sup> March, 2019.

Performance obligation is satisfied at a point in time which normally occurs on delivery of the goods as per the terms of contract in case of domestic sales and in case of export on the basis of shipping terms and with payment terms 30 days – 90 days or against advance payment. There is negligible obligation towards sales return.

#### Reconciliation of revenue recognised in Statement of Profit and Loss with contract price

(₹ in Lakhs)

	2019-20	2018-19
Contract Price	144,606.77	142,321.49
Less :		
Cash Discount	93.26	159.53
Quantity Discount	59.08	43.78
Incentives & Benefits	59.53	173.02
<b>Total Revenue from Sale of Product</b>	<b>144,394.90</b>	<b>141,945.16</b>

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### Note 38: DETAILS OF SUBSIDIARY AND JOINTLY CONTROLLED ENTITY

(₹ in Lakhs)

Sr No	Name of Company	Subsidiary/ Joint Arrangement	Country of Incorporation	% of Holding as on 31.03.2020	% of Holding as on 31.03.2019	Accounting Period
1	Global Copper Private Limited	Subsidiary	India	60%	60%	01.04.2019 to 31.03.2020
2	RR-Imperial Electricals Limited	Jointly Controlled Entity	Bangladesh	10%	10%	01.04.2019 to 31.03.2020

#### 1. Interest in a Subsidiary

The following tables illustrates the summarized financial information of subsidiary having non controlling interest: (₹ in Lakhs)

Particulars	Subsidiary	
	As at 31.03.2020	As at 31.03.2019
Current Assets	5,499.42	5,700.04
Non-Current Assets	2,694.72	2,720.52
Current Liabilities	3,945.74	4,426.00
Non-Current Liabilities	2,590.80	2,368.16
Equity	1,657.60	1,626.40
Attributable to non- controlling interest	994.55	975.83
Accumulated non- controlling interest as on 31 <sup>st</sup> March,	663.05	650.57

(₹ in Lakhs)

Particulars	Subsidiary	
	2019-20	2018-19
Revenue	19,181.73	17,310.57
Profit for the year	34.33	81.27
Other Comprehensive Income	(3.13)	1.24
Total Comprehensive Income	31.20	82.51
Total Comprehensive Income allocated to non- controlling interest	12.48	33.01

(₹ in Lakhs)

Particulars	Subsidiary	
	As at 31.03.2020	As at 31.03.2019
<b>Contingent Liabilities</b>		
Income Tax Demands	35.76	56.54
Excise & Service Tax Demands	-	20.96
Sales Tax Demands	-	4.81
<b>Commitments</b>		
Letter of credit and bank guarantees issued by the banks	65.00	65.00
Estimated amount of contracts remaining to be executed and not provided for capital advance	-	-

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

### 2. Interest in a Jointly Controlled Entity

The following tables illustrates the summarized financial information of jointly controlled entity:

(₹ in Lakhs)

Particulars	Jointly Controlled Entity	
	As at 31.03.2020	As at 31.03.2019
Current Assets	8,855.38	8,800.49
Non-Current Assets	4,887.58	4,243.87
Current Liabilities	7,930.01	7,500.80
Non-Current Liabilities	1,083.90	1,172.19
Equity	4,729.05	4,371.37
Proportion of the group's ownership interest	10%	10%
Carrying amount of the group's interest	472.91	437.14

(₹ in Lakhs)

Particulars	Jointly Controlled Entity	
	2019-20	2018-19
Revenue	13,253.00	14,362.04
Interest Income	17.71	28.84
Cost of raw material and components consumed	9,856.46	14,015.43
Changes in Inventories	355.96	(2,144.07)
Depreciation & amortization	414.35	380.05
Finance cost	416.08	664.04
Employee benefit expenses	907.95	1,028.32
Other expenses	1,028.02	990.62
Profit before tax	291.89	(543.51)
Income tax (expense)/ income (including previous year adjustments)	(316.59)	(279.63)
Profit for the year	(24.70)	(823.14)
Total Comprehensive Income	(24.70)	(823.14)
Group's share of profit for the year	(2.47)	(82.31)
Group's share of other comprehensive income for the year	N.A.	N.A.
Group's total comprehensive income for the year	N.A.	N.A.
Dividend received from Jointly Controlled Entity during the year	-	-

(₹ in Lakhs)

Particulars	Jointly Controlled Entity	
	As at 31.03.2020	As at 31.03.2019
<b>Contingent Liabilities</b>		
Letter of Credit	906.44	465.40

## NOTES to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020 (contd.)

**Note 39: Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Jointly Controlled Entity as per Schedule III of Companies Act, 2013**

(₹ in Lakhs)

Name of Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income/Loss		Share in Total Comprehensive Income	
	2019-20		2019-20		2019-20		2019-20	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit/(Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
<b>Parent Company</b>								
Ram Ratna Wires Ltd.	88.51%	16,409.84	97.81%	1,426.48	102.21%	(1,625.40)	150.88%	(198.92)
<b>Indian Subsidiary</b>								
Global Copper Pvt. Ltd.	5.37%	994.55	1.41%	20.60	0.12%	(1.88)	(14.20%)	18.72
Minority Interest in Subsidiary	3.58%	663.05	0.94%	13.73	0.08%	(1.25)	(9.47%)	12.48
<b>Joint Venture</b>								
RR-Imperial Electricals Ltd.	2.55%	472.91	(0.17%)	(2.47)	(2.41%)	38.35	(27.21%)	35.88
<b>Total</b>	<b>100.00%</b>	<b>18,540.35</b>	<b>100.00%</b>	<b>1,458.34</b>	<b>100.00%</b>	<b>(1,590.18)</b>	<b>100.00%</b>	<b>(131.84)</b>

(₹ in Lakhs)

Name of Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income/Loss		Share in Total Comprehensive Income	
	2018-19		2018-19		2018-19		2018-19	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Profit or Loss	Profit/(Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
<b>Parent Company</b>								
Ram Ratna Wires Ltd.	89.14%	16,940.18	100.06%	1,597.00	91.11%	389.64	98.17%	1,986.64
<b>Indian Subsidiary</b>								
Global Copper Pvt. Ltd.	5.14%	975.83	3.06%	48.76	0.17%	0.74	2.45%	49.50
Minority Interest in Subsidiary	3.42%	650.57	2.04%	32.51	0.12%	0.50	1.63%	33.01
<b>Joint Venture</b>								
RR-Imperial Electricals Ltd.	2.30%	437.14	(5.16%)	(82.31)	8.60%	36.77	(2.25%)	(45.54)
<b>Total</b>	<b>100.00%</b>	<b>19,003.72</b>	<b>100.00%</b>	<b>1,595.96</b>	<b>100.00%</b>	<b>427.65</b>	<b>100.00%</b>	<b>2,023.61</b>

**Note 40: Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.**

**As per our Report of even date**

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

**Jatin V. Dalal**

Partner

M.No. 124528

Place : Mumbai

Dated : 29<sup>th</sup> July, 2020

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

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

**Hemant Kabra**

Director & CFO

DIN - 01812586

**Saurabh Gupta**

Company Secretary

ACS - 53006





## NOTES

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## **RAM RATNA WIRES LTD.**

CIN : L31300MH1992PLC067802

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