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R e p o r t  
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***modern malleables limited***



# **modern malleables limited**

## **BOARD OF DIRECTORS**

MR. B. N. JHUNJHUNWALA  
*Chairman and Managing Director*

MR. M. K. CHOWDHURY  
MRS. MINA ROY

## **AUDITOR**

M/S. H. P. JHUNJHUNWALA & CO.

## **SOLICITOR**

M/S. KHAITAN & CO.

## **REGISTERED OFFICE**

53B, MIRZA GHALIB STREET  
KOLKATA-700 016.

## **WORKS**

LILUAH (HOWRAH)

## **BANKERS**

KOTAK MAHINDRA BANK LTD.



## **DIRECTORS' REPORT TO THE SHARE HOLDERS**

Your Directors are pleased to present the 37th Annual Report of your Company along with the Audited Accounts for the financial year ended **31st March, 2021**.

<b>Particulars</b>	<i>(Rs. in lacs)</i>	
	<b>As on 31.03.2021</b>	As on 31.03.2020
Revenue from operations	<b>3837.76</b>	9320.74
Total expenditure	<b>3105.89</b>	5508.11
Operating profit / (Loss)	<b>731.87</b>	3812.63
Other Income	<b>37.69</b>	65.63
Profit (Loss) before interest, depreciation , amortization and Tax	<b>769.56</b>	3878.26
Finance cost	<b>8.58</b>	11.04
Depreciation	<b>93.10</b>	110.49
Profit/(Loss) before Tax	<b>667.88</b>	3756.73
Tax expenses	<b>166.08</b>	952.68
Profit/(Loss) after tax	<b>501.80</b>	2804.05

### **OPERATIONS AND MANAGEMENT**

Your Directors are glad to report adverse situation of the overall economy persisted due to Covid concerns in most of the year. Your Company achieved a consolidated total revenue of Rs.3837.76 lacs as compare to previous year of Rs. 9320.74 lacs and the Net Profit after tax is Rs. 501.80 lacs as compare to previous year Profit of Rs. 2804.05 lacs.

As you are aware the Company is engaged in the Power sectors and diversified in Telecommunication Sector. The Company procures business from the utilities in India for Power & Telecom markets. Your Company is making all efforts to achieve its core manufacturing activities in order to achieve its objectives. The R & D work has been able to achieve the recognition from Government of India, Ministry of Scientific and Industrial Research as a Government approved In-house R & D Unit.

### **DIVIDEND**

Your Directors regret that they are unable to recommend any dividend for the year ended 31st March, 2021.

### **DIRECTOR**

Mrs. Mina Roy, Director retires by rotation and being eligible has offered himself for re-appointment.

### **AUDITORS**

M/s. H.P. Jhunjhunwala & Co., Chartered Accountants, (Regn. No. 302139E), are being eligible for appointment as Auditor for a period of 3 (three) years to hold the office as Auditors of the Company from the conclusion of the ensuing Annual General Meeting to the conclusion of Annual General Meeting (AGM) of the Company to be held in the year 2022 and Board of Directors have recommended their appointment. As required by the provision of the Companies Act, 2013, their appointment should be ratified by members each year at the AGM. Accordingly, requisite resolutions from part of the notice convening the AGM.

### **COST AUDITORS**

Pursuant to the orders issued by the Central Govt. under Sec.148 of the Companies Act, 2013, the Board of Directors of the Company has appointed M/s. A S & Associates, Cost Accountants, ILA Apartment, 102, Banerjee Para, Kolkata-700 031 for conducting the audit of the cost accounting records maintained by the Company for all its products.

### **SECRETARIAL AUDITORS**

Section 204 of the Companies Act, 2013 inter-alia requires every listed company to annex with its Board's report, a

Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form. The Secretarial Auditors' for the financial year ending 31st March, 2021 is given in Annexure which forms part of this report.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Corporate Social Responsibility (“CSR”) Committee of the Directors inter alia gives strategic direction to the CSR initiatives, formulates and reviews annual CSR plans and programmes, formulates annual budget for the CSR programmes and monitors the progress on various CSR activities. Details of the composition of the CSR Committee have been disclosed separately as part of the Corporate Governance Report. The CSR Policy of the Company adopted in accordance with Schedule VII of the Act, outlines various CSR activities to be undertaken by the Company in the areas of health, water, sanitation, promoting education, skill development etc.

During the year under review, the Company was required to spend 2 percent of the average net profits for the preceding three financial years calculated in terms of the provisions of Section 198 of the Act and has therefore made contributions to the Implementing Agency.

**POLICY ON CODE OF CONDUCT & ETHICS AND SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company has adopted the RPG Code of Corporate Governance & Ethics (“RPG Code”) applicable to all the Directors and employees of the Company. The Code provides for the matters related to governance, compliance, ethics and other matters.

In accordance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013, the Company has adopted a Policy on Prevention of Sexual Harassment at Workplace (“the Policy”) to ensure prevention, prohibition and redressed of sexual harassment at workplace. The Policy has been formed to prohibit, prevent and deter the commission of the acts of sexual harassment at workplace and to provide the procedure for redressed of complaints pertaining to sexual harassment. The Company provides an equal employment opportunity and is committed for creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company have the right to be treated with dignity.

An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this Policy and the Policy is gender neutral. During the year under review, no complaints of any nature were received.

**RISK MANAGEMENT POLICY**

The Company is engaged in Engineering, Procurement and Construction (“EPC”) business and is exposed to various risks in the areas it operates. The Company has a well-defined risk management framework in place which works at various levels across the enterprise. The risk management mechanism forms an integral part of the business planning and review cycle of the Company and it is designed to provide reasonable assurances that goals are achieved by integrating management control into daily operations, by ensuring compliance with legal requirements and by safeguarding the integrity of the Company’s financial reporting and its related disclosures. The identification, analysis and putting in place the process for mitigation of these risks is an ongoing process. The Company has a mechanism in place to inform the Risk Management Committee and Board members about risk assessment, minimization procedures and periodical review thereof. The Risk Management Committee of Directors constituted by the Board inter alia reviews Enterprise Risk Management functions of the Company and is responsible for framing, implementing, monitoring and reviewing Risk Management framework of the Company. The Committee on periodical basis, validates, evaluates and monitors key risks and reviews the measures taken for risk management and mitigation and effectiveness thereof. The key business risks faced by the Company and the various measures taken by the Company are detailed in Management Discussion and Analysis section.

**INTERNAL FINANCIAL CONTROL**

Details in respect of adequacy of internal financial controls with reference to the Financial Statements are stated in Management Discussion and Analysis section.

**RELATED PARTY TRANSACTIONS**

All transactions entered into by the Company with related parties were in the ordinary course of business and at arm’s length basis. The Audit Committee grants omnibus approval for the transactions that are in the ordinary course of the business and repetitive in nature. For other transactions, the Company obtains specific approval of the Audit Committee before entering into any such

transactions. A statement giving details of all Related Party Transactions are placed before the Audit Committee on a quarterly basis. Disclosures as required under Indian Accounting Standards ("IND AS") - 24 have been made in the Standalone Financial Statements.

### **ANNUAL RETURN**

Pursuant to the provisions of sub-section (3) of Section 92 and sub-section (3) of Section 134 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return as on 31st March, 2021 in the prescribed Form MGT-9 is enclosed as Annexure.

### **CORPORATE GOVERNANCE DISCLOSURE**

In terms of Regulation 34 of SEBI Listing Regulations, a separate section on Management Discussion and Analysis, Business Responsibility Report and Corporate Governance Report together with a certificate from a Practicing Company Secretary confirming compliance with the Regulations relating to Corporate Governance of SEBI Listing Regulations is set out and form part of this Annual report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of clause (c) of sub-section (3) and sub-section (5) of Section 134 of the Act, the Board of Directors of the Company hereby confirm that:

- I. in the preparation of the annual accounts for the financial year ended on March 31, 2021, the applicable Accounting Standards have been followed and no material departures have been made from the same;
- II. we have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on March 31, 2021;
- III. we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. we have prepared the annual accounts for the financial year ended on March 31, 2021 on a going concern basis;

- V. we have laid down internal financial controls and the same have been followed by the Company and that such internal financial controls are adequate and were operating efficiency; and
- VI. we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **PARTICULARS OF EMPLOYEES**

In terms of the requirements of sub-section (12) of Section 197 of the Act read with sub-rule (1) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, the disclosures pertaining to the remuneration and other details, are given in Annexure. In terms of the provisions of sub-rules (2) and (3) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other details of the employees drawing remuneration in excess of the limits set out in these Rules forms part of the Annual Report. In terms of Section 136 of the Act, this report is being sent to the Members and others entitled thereto, excluding the aforesaid

information. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company.

### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION :**

The Company has strong commitment towards conservation of energy, natural resources and adoption of latest technology in its areas of operation. The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under clause (m) of sub-section (3) of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

### **ENVIRONMENT HEALTH AND SAFETY (EHS)**

The Company is committed to achieving its EHS objective of providing a safe workplace for its stakeholders and has undertaken various EHS management processes and implemented them under the EHS system. The Company is successfully leveraging modern technology and analytics to enable data driven decisions, improve safety, and ensure strict adherence to safety rules and procedures.

The Company continues to invest in imparting industry specific EHS training with a focus on risk-based safety and skill development to its employees and workmen to ensure that all its stakeholders become more safety conscious and thereby improve the organization's approach towards prevention of loss.

During the year, the Company has bagged various EHS awards and appreciation from its prestigious customers and independent agencies. A separate section has been added to this Annual Report with details on EHS objectives of the Company and various awards received by the Company.

#### **HUMAN RESOURCE / INDUSTRIAL RELATIONS**

The Company understands that its diverse employees are its most vital and valuable assets. The Company recognises people as the primary source of its competitiveness and continues its focus on people development through digital and bespoke interventions. The Company has developed a continuous learning human resource base to unleash potential and fulfill the aspirations of the employees. The strategic thrust of Human Resource has been on improvement of the performance of employees through training & development and also to identify out performers who have the potential for taking higher responsibilities.

The employee relations remained cordial throughout the year. The Company (excluding subsidiaries) had 5,713

permanent employees on its rolls as on March 31, 2021. The Board places on record its sincere appreciation for the valuable contribution made by employees across all levels whose enthusiasm, team efforts, devotion and sense of belonging has always made the Company proud.

#### **ACKNOWLEDGEMENTS**

We thank our customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

We thank the Government of India, the State Governments where we have operations and other government agencies for their support and look forward to their continued support in the future.

For and on behalf of the Board

**B. N. Jhunjunwala**

*Chairman & Managing Director*

Place : Kolkata

Date : September 6, 2021



## **ANNEXURE TO THE DIRECTORS' REPORT**

Particulars of technology absorption and foreign exchange earning and outgo as per section 134 (3)(m) of the Companies Act, 2013 and the rules made therein and forming part of the directors of the reports for the financial year ended 31st March, 2021.

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

Energy conservation is an on-going practice in the Company and wherever possible energy conservation measures have been implemented. The efforts to conserve and optimize the use of energy through improved operational methods and other means will continue. Time to time the company has taken initiated to replace the old machinery with new energy efficient machine.

### **B. TECHNOLOGY ABSORPTION**

Research and Development

Research and Development Facilities are being utilized for development of new technologies and better control on quality of input and production process. These efforts will lead to product diversification and attaining international specification on the newly developed products.

#### **(a) Benefits derived as a result of above Research and Development.**

The product know how, better quality assurance, improved process development of new technologies have helped the Company in getting approval of its products in domestic and international markets.

#### **(b) Future plans for Action**

Future plan of action R&D Centre will be further strengthen and updated to carry out improvement in designs of the Company's product enabling it to complete with similar product of developed countries.

#### **(c) Expenditure on Research and Development**

Revenue Rs . 62.82 lakhs

#### **(d) Absorption, Adoption and Innovation**

Company has been instrumental in developing the designs, the application & manufacture of accessories for the installation of optical fibre cables on overhead telecom and power distribution lines on existing structures. These developments were done by the Company's R&D under close interaction with IIT, Bombay.

### **C. FOREIGN EXCHANGE EARNING AND OUTGO**

*(Rs. in Lac)*

Foreign Exchange earning	Rs. Nil
Foreign Exchange outgo	Rs. 364.86 Lacs.

Place : Kolkata  
Date : September 6, 2021

For and on behalf of the Board  
**B. N. Jhunjunwala**  
*Chairman & Managing Director*

**CORPORATE GOVERNANCE REPORT FOR THE PERIOD FROM 1ST APRIL, 2020 TO 31ST MARCH, 2021 ANNEXURE TO THE DIRECTORS' REPORT**

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Your Company believes that sound corporate governance principles applied consistently to all areas of operations ensuring that its values - Integrity; Commitments; Passion; Seamlessness and speed are leveraged to maximize value for all its stakeholders

Corporate Governance aims at achieving high level of efficiency, accountability, responsibility and fairness in dealing with all stakeholders.

**I. BOARD OF DIRECTORS**

**COMPOSITION**

The Board of Directors of the Company as on 31st March, 2021 consists of 4 (Four) Directors. One Executive and Three Non-Executive Directors.

During the financial year 2020-21, the board of directors met six times.

The details of the Directors with regards to the other directorships and Committee position as well as attendance at the Company' Board Meetings/Annual General Meeting (AGM) are as follows :

<b>Name of Directors</b>	<b>Other Directorship</b>	<b>Committee Position</b>	<b>Board Meeting Attended</b>	<b>AGM Attended</b>
Mr. B.N. Jhunjhunwala	2	–	6	Yes
Mr. M.K. Chowdhury	–	–	3	No
Mrs. Siddhishree Jhunjhunwala	–	–	5	Yes
Mrs. Mina Roy	1	–	6	Yes

**Code of Conducts :**

The Board of Directors have laid down a Code of Conduct ("the code") for all Board members and senior management personnel of your Company. All Board members and senior management personnel have confirmed compliance with the code. A declaration signed by the Chairman & Managing Director is attached and forms part of this Annual Report.

**II. AUDIT COMMITTEE**

Composition, meetings and attendance during the year.

The Audit Committee comprises two Non-Executive Independent Director, one Executive Director. All the members of the Audit Committee are financially literate as per provision of Clause 49 of Listing Agreement. During the financial year Audit Committee met 4 times.

**The composition and attendance as follows :**

<b>Name of member</b>	<b>No. of meeting held</b>	<b>Meeting Attended</b>
Mr. B.N. Jhunjhunwala	4	4
Mrs. Mina Roy	4	4
Mrs. Siddhishree Jhunjhunwala	4	3

Mrs. Mina Roy is the Chairman of the Audit Committee Meeting. Statutory Auditor of the Company attended the Audit Committee Meetings.

**POWERS OF THE AUDIT COMMITTEE**

- to investigate any activity with its terms of reference
- to seek information from any employee
- to obtain outside or other professional advice
- to secure attendance of outsiders with relevant expertise, if it considers necessary.

**Term of reference**

The Audit Committee reviews the Internal Reports with the Statutory Auditor's Report periodically and discuss their findings. The role of the Audit Committee is as follows :

- a. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing the annual financial statements before submission to the Board, focusing primarily on :
  - Any changes in accounting policies and practices
  - Major accounting entries based on exercise of judgment by management
  - Qualifications in draft audit report
  - Significant adjustments arising out of audit
  - The going concern assumption
  - Compliance with accounting standards
  - Compliance with stock exchange and legal requirements concerning financial statements.

Any related party transaction i.e. transaction of the Company of material nature, with promoters of the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large.

- d. Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- e. Review the adequacy of internal audit function, 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.
- f. Discussions with internal auditors any significant findings and follow up thereon.
- g. Reviewing the findings of any internal investigations of the internal auditors into matters where there is suspected fraud and/or irregularity and/or a failure of internal control systems of a material nature and reporting the matter to the Board.
- h. Discussion with external auditors before the commencement of audit and nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- i. Reviewing the Company's financial and risk management policies.
- j. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors.

**III. SUBSIDIARY COMPANY**

Company does not have any subsidiary Company.

**IV DISCLOSURES**

**Disclosures on related party transactions**

During the year 2020-21 there was no transaction with related parties other than shown in the Balance Sheet.

**Disclosure of Accounting treatment**

The Company has followed all relevant Accounting standards while preparing the financial statement.

**Risk Management**

Company has in place a risk management programme which is monitored on a continuous basis. The Audit Committee review the efficiency of the risk management process.

**V REMUNERATION COMMITTEE:**

The Remuneration Committee comprises three Directors - Mrs. Siddhishree Jhunjunwala is the Chairman, Mr. M. K. Chowdhury and Mrs. Mina Roy is a member of the remuneration Committee. One remuneration committee meeting held on 16th November, 2020 during the year 2020-21.

Details of remuneration paid to the Executive & Non-executive Directors during the financial year 2020-21 are as follows :

<b>Name of Director</b>	<b>Sitting Fees</b>	<b>Remuneration</b>
Mr. B.N. Jhunjunwala	–	Rs. 40,20,916/-
Mr. M.K. Chowdhury	–	–
Mrs. Mina Roy	Rs. 22,500/-	–

**VI MANAGEMENT**

Management Discussions and Analysis form part of the Annual Report and are in accordance with the requirement laid out in Clause 49 of Listing Agreement.

No material transaction has been entered into by the Company with the Promoters, directors or the Management or relatives etc.

**VII SHARE TRANSFER COMMITTEE**

In accordance with Clause 49 para VI(D) of the Listing Agreement of the Stock Exchange, the Board has unanimously delegated the powers of share transfer to Mr. B.N. Jhunjunwala, Chairman & Managing Director, who is also the Compliance Officer, in order to expedite the process of share transfer, issue of duplicate certificates and certificates after splits/consideration/renewal and re-materialization. The Committee meets at least once in a fortnight to expedite all matters relating to transfer.

**Share Transfer and Shareholders/Investors Grievance Committee**

A “Share Transfer and Shareholders/Investors Grievance Committee” has been constituted under the Chairmanship of a Director – Mrs. Siddhishree Jhunjunwala, and Mr. M.K. Chowdhury, Director are the Member of the Committee.

All the investors complaints are settled by the Compliance Officer of the Company and if any complaint can not be settled by the Compliance Officer then it is placed before the Committee for settlement.

**General Body Meeting**

Location and time where last three Annual General Meeting were held :

Financial Year	Date	Time	Venue
2019 - 2020	23.12.2020	11.30 A.M	53b, Mirza Ghalib Street, Kolkata-700 016.
2018 – 2019	27.09.2019	11.30 A.M.	-Do-
2017 – 2018	28.09.2018	11.30 A.M	-Do-

**SPECIAL RESOLUTIONS PASSED IN THE LAST THREE ANNUAL GENERAL MEETINGS**

In the AGM held for the financial year 2019-20, a Special Resolution was passed for appointment of Mr. Biswanath Jhunjunwala (DIN – 00331168) as a Managing Director of the Company.

**Postal Ballot**

No Special Resolutions were passed by way of Postal Ballot in the last three financial years.

Further, none of the businesses proposed to be transacted at the ensuing AGM require passing a Special Resolution through postal ballot.

**VIII MEANS OF COMMUNICATION****QUARTERLY RESULTS**

As on March 31, 2021, the Company's shares are listed on CSE Limited, BSE Limited and National Stock Exchange of India Limited.

The Company from time to time and as may be required, communicates with its investors through multiple channels of communications such as dissemination of information on the website of the Stock Exchanges, the Annual Reports, Press Releases and uploading relevant information on its website.

The quarterly financial results are announced through Press Releases sent to leading media publications. The results along with the notes are furnished on a quarterly basis to the Stock Exchanges as per the format prescribed and within the time period stipulated under Regulation 33(3) of the SEBI Listing Regulations.

**NEWSPAPERS WHEREIN FINANCIAL RESULTS ARE BEING PUBLISHED**

Financial Results	Un-Audited / Audited	Newspapers
First Quarter	Un-Audited	Bengali – Sukhobor English – Morning News
Second Quarter	Un-Audited	Bengali – Sukhobor English – Morning News
Third Quarter	Un-Audited	Bengali – Sukhobor English – Morning News
Forth Quarter / Full Year *	Un-Audited/ Audited	–

\*The results were not published in the newspaper in accordance with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, granting relaxation from the provisions of Regulation 47 of the SEBI Listing Regulations.

**COMPANY'S WEBSITE**

The Company's corporate website [www.modernmalleables.com](http://www.modernmalleables.com) depicts comprehensive information about the business activities of the Company. The website contains a separate dedicated section "Investors" where shareholder related information disseminated to the Stock Exchange is available such as financial results, Annual Reports, shareholding patterns, quarterly compliance reports on Corporate Governance, schedule of analyst or institutional investor meet and presentations made by the Company on the quarterly financial results.

## ***modern malleables limited***

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Information available also includes credit ratings, 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, email address for grievance and redressal and other relevant details, details of familiarization programs imparted to Independent Directors, and such other information as may be required to be uploaded on the website of the Company in compliance / accordance with Regulation 46 of the SEBI Listing Regulations as amended from time to time. The achievements and important events such as receipt of major orders by the Company etc. are announced through press & electronic media and also posted on the Company's website.

All other press coverage and news release are communicated by the Company through its corporate website. Corporate presentations made to Institutional Investors/Analysts at Investor Meets organized by the Company are also hosted on the website for wider dissemination. The means of communication between the Company and the shareholders are transparent and investor friendly and the Company takes all possible endeavors to inform its stakeholders about every material information having bearing on the performance and operations of the Company and other price sensitive information.

The Company has also uploaded Frequently Asked Questions (FAQs) giving information about the Company and the procedure to be followed by the Investors for transmission, dematerialisation, rematerialisation, procedure to claim shares and dividend transferred to IEPF etc. for the convenience of the Investors.

### **IX SHAREHOLDER INFORMATION**

<b>Date, time and venue of the Annual General Meeting</b>	<b>Wednesday, 29th September, 2021 at 11.30 a.m. at 53B Mirza Ghalib Street, Kolkata- 700 016</b>
Date Book Closure	23.09.2021 to 29.09.2021 (Both day Inclusive)
Financial Year	1st April'2020 to 31st March, 2021
Financial Calendar	
First quarter result	By end of July, 2020.
Second quarter result	By end of October, 2020.
Third quarter result	By end of January, 2021.
Result for the Year ending March'2021	By End of June, 2021

#### **STATUS OF LISTING ON STOCK EXCHANGES**

The Equity Shares of the Company are listed on the CSE Limited (CSE) the BSE Limited (BSE) and the National Stock Exchange of India Ltd. (NSE) and annual listing fees have been paid to both the stock exchanges.

#### **Name and address of the Stock Exchanges**

#### **Stock Code**

#### **CSE Limited (CSE)**

7, Lyons Range, Murgighata, Dalhousie, Kolkata-700 001.

023035

#### **BSE Limited (BSE)**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

517336

#### **National Stock Exchange of India Limited (NSE)**

Exchange Plaza, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051.

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#### **MARKET PRICE DATA –CSE, BSE & NSE**

During the year shares of the Company were not traded in above said Stock Exchanges.

**REGISTRAR AND SHARE TRANSFER AGENT**

**M/s. Maheshwari Datamatics Private Limited**

23, R.N. Mukherjee Road, 5th floor, Kolkata – 700 001

Phone : (033) 2243-5809 and 2243-5029

Fax : (033) 22484787, Email : mdpldc@yahoo.com

**CONTACT ADDRESS FOR INVESTORS**

Shareholders can send their queries regarding Transmission/ Dematerialization of shares and any other Correspondences relating to the shares of the Company to the abovementioned address of the Company's Registrar and Share Transfer Agent. Shareholders holding shares in electronic mode should address all correspondences to their respective depository participants.

**SHARE TRANSFER / DEMATERIALISATION**

The Stakeholders' Relationship Committee meets on a periodic basis and as and when necessary.

As per direction of Securities and Exchange Board of India, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. This measure has come into effect from April 01, 2020. The transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of April 01, 2020. Shareholders who are still holding share certificate(s) in physical form are advised to dematerialise their shareholding to facilitate transfers and avail other benefits of dematerialisation, which include easy liquidity, electronic transfer and elimination of any possibility of loss of documents and bad deliveries.

The Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities as per the requirement of Regulation 40(9) of the SEBI Listing Regulations. These certificates have been submitted to the Stock Exchanges.

As stipulated by SEBI, a Company Secretary in Practice carried out an Audit, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued & listed capital. Such reconciliation of share capital audit report was submitted to Stock Exchanges on quarterly basis

**DISTRIBUTION OF SHAREHOLDING**

Distribution of shares according to size of holding as on March 31, 2021

<b>No of Equity Shares Held</b>	<b>No of Share Holders</b>	<b>% of Share Holders</b>	<b>No of Share Held</b>	<b>% of Share Holding</b>
1-500	14355	92.6308	2043515	1.7537
501-1000	633	4.0847	534185	0.4584
1001-2000	258	1.6648	399100	0.3425
2001-3000	69	0.4452	174800	0.1500
3001-4000	35	0.2259	122250	0.1049
4001-5000	26	0.1678	122100	0.1048
5001-10000	37	0.2388	256000	0.2197
Above 10000	84	0.5420	112873050	96.8660
<b>Grand Total</b>	<b>15497</b>	<b>100.0000</b>	<b>116525000</b>	<b>100.0000</b>

**CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2021**

<b>Category</b>	<b>No. of Shares held</b>	<b>% of Shareholding</b>
Promoter & Promoter Group	62467950	53.61
Mutual Funds	71500	0.06
Financial Institutions & Banks	3700	0.0032
Insurance Companies	150000	0.1287
Foreign Institutional Investors	54300	0.0466
Bodies Corporate	49819300	42.75
Individual	3748325	3.22
NBFC's with RBI	100	0.00
Trust	100	0.00
Clearing Member	200	0.00
NRI	209525	0.1798
<b>Grand Total</b>	<b>116525000</b>	<b>100.00</b>

**DEMATERIALIZATION OF SHARES AND LIQUIDITY**

The Company has executed agreement with National Securities Depositories Limited (NSDL) for admission of its securities under dematerialised mode. The International Securities Identification Number (ISIN) allotted to the Equity Shares of the Company is INE834C01028. As on 31stMarch 2021, total Equity Shares representing 92.36 percent are held in dematerialised form.

**OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS OR OPTIONS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY**

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments or options.

**TRANSFER OF UNPAID/UNCLAIMED AMOUNTS AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

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 as amended, 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, 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 had unable to recommend any dividend from last eight years.



**REGISTERED OFFICE/CORRESPONDENCE ADDRESS OF THE COMPANY**

M/s. MODERN MALLEABLES LIMITED  
53B Mirza Ghalib Street, Kolkata-700 016  
Telephone Nos. : (033) 2226-4904 & 2249-1673  
Fax No.: (033) 2249-2119  
Email Id : sales@modernmalleables.com  
Corporate Identification Number (CIN) – L27101WB1957PLC035371

**PLANTS LOCATIONS**

Unit – I : 42/1 Netaji Subhas Road, Liluah, Howrah, West Bengal  
Unit – II : 63/1 Rabindra Sarani, Liluah, Howrah, West Bengal  
Unit-III : 75/5, Rabindra Sarani, Liluah, Howrah, West Bengal

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

**FORM NO. MR-3**

*[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,

**MODERN MALLEABLES LTD**

CIN: L27101WB1982PLC035371

53B MIRZA GHALIB STREET 3RD FLOOR

KOLKATA - 700016

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

Based on my verification of 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, and authorized representatives during the conduct of **Secretarial Audit**, I hereby report that in our opinion the Company has, during the audit period covering the financial year ended **31st March, 2021** 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 **31st March, 2021** according to the provisions of following Acts as amended from time to time along with the rules and regulations made thereunder:

- I. The Companies Act, 2013(the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities)Regulations, 2008;

- g. 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;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- j. The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We have also examined the compliance of the applicable clauses by the company of the following statutory provisions/standards/regulations:

- a. The uniform Listing Agreements entered into by the Company, with **BSE Limited** ;
- b. The Secretarial Standards (SS - 1 and SS – 2) issued by the Institute of Company Secretaries of India.

We further report that:

The Board of Directors of the Company **is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director**. 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 and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance by the company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors and other designated professionals.

Adequate Notice is given to all Directors to schedule the Board/Committee Meetings. Information and circulation of the agenda with detailed information thereof, convening of meetings was done in compliance with the applicable laws, rules, regulations and guidelines, etc. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

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 as also represented by the management.

Place : Kolkata  
Date : 17th September, 2021

**PRITI LAKHOTIA**  
Practicing Company Secretary  
Membership No: F10843  
C.P. No.: 12790  
UDIN: F010843C000965051

**CODE OF CONDUCT**

**DECLARATION**

All Board members and Senior Management personnel have, for the year ended March 31, 2021, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Kolkata  
Date : September 6, 2021

**B. N. Jhunjunwala**  
*Chairman & Managing Director*

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**CEO CERTIFICATE**

The Board of Directors  
**M/s. Modern Malleables Ltd.**  
53B, Mirza Ghalib Street  
Kolkata-700 016.

We certify to the Board that:

- A. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2021 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 operations 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, if any, in internal control over financial reporting during the year;
  - 2) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 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.

Place : Kolkata  
Date : September 6, 2021

**B. N. Jhunjunwala**  
*Chairman & Managing Director*

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**H. P. JHUNJHUNWALA & CO.**

CHARTERED ACCOUNTANTS

907, MARSHALL HOUSE, 33/1, NETAJI SUBHAS ROAD, KOLKATA-700001  
PHONE : (033) 2230-1057 / 9831426066, E-mail : hpjassociates@gmail.com

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF MODERN MALLEABLES LIMITED**

**1. Opinion**

We have audited the accompanying standalone financial statements of **MODERN MALLEABLES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss, Cash Flow Statement and a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

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

**2. Basis for Opinion**

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

**3. Responsibility of Management for Standalone Financial Statements**

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

In preparing the 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.

**4. Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- a. Identify and assess the risks of material misstatement of the 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.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. However, under section 143(3)( 1 ) of the Companies Act, 2013, we are not responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. 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 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.
- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## **5. Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act., on the matter specified in paragraph 2 and 4 of the order, to the extent applicable, we report that :-

- (i) In respect of Fixed Assets:
  - a) The company has maintained proper records showing full particulars, including Quantitative details and situation of fixed assets.
  - b) These fixed assets have been physically verified by the management at reasonable intervals, whenever any material discrepancies were noticed on such verification, the same has been properly dealt with in the books of account.

- c) The title deeds of immovable properties are held in the name of the company.
- (ii) In Respect of inventory :
- The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
- (iii) 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 Companies Act, 2013.
- (iv) 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, with respect to the loans and investments made.
- (v) The company has not accepted deposits from public, hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, where not applicable,
- (vi) As information & explanation given to use, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders. The company has not taken any loan either from financial institution or from government and has not issued any debentures.
- (vii) We have reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under section 148(1) of the Companies Act, 2013 and are of the opinion that the prima facie the prescribed cost records have been made and maintained. We have however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.
- (viii) (a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, and any other statutory dues with the appropriate authorities
- (b) According to information & explanation given to us by the company has no disputed tax liabilities.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable

## ***modern malleables limited***

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(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (a) 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;
- (b) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (c) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (d) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (e) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its Financial position
  - ii. The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which required to be transferred by the company to the Investor Education and Protection Fund.
- (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**;

Place : Kolkata  
Date : September 6, 2021

For **H. P. Jhunjunwala & Co.**  
*Chartered Accountants*  
Rajendra Jhunjunwala  
*Partner*  
*Membership No. 58429*  
*Firm Regn. No. 302139E*



**ANNEXURE TO THE AUDITORS' REPORT**

The Annexure referred to in our report to the members of MODERN MALLEABLES LIMITED for the year ended 31st March, 2021.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) These fixed assets have been physically verified by the management at reasonable intervals there was no Material discrepancies were noticed on such verification.  
(c) Total Assets of company includes Immovable property also and the title deeds of immovable properties are held in the name of the company.
2. Physical verification of inventory has been conducted at reasonable intervals by the management and there is no material discrepancies were noticed
3. The company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.  
(a) All terms and conditions are as per the benefits of company and are not prejudicial to the company's Interest.  
(b) Schedule of repayment of principal and interest has been stipulated and receipts are regular.  
(c) There is no such amount which is overdue more than 90 Days of above mentioned loan.
4. In respect of loans, investments, guarantees, and security all mandatory provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The company has not accepted any deposits.
6. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7. (a) The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, goods & service tax and any other statutory dues to the appropriate authorities.  
(b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have been deposited on time there is no dispute is pending on the part of company.
8. The company hasn't made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. The company doesn't raise any money by way of initial public offer or further public offer (including debt instruments)
10. Neither company has done any fraud nor by its officers or employees so nothing to be disclosed separately.
11. Managerial remuneration has been paid or provided in accordance with the requisite approvals Mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. Company is not a Nidhi Company hence nothing to be disclosed for any provisions applicable on Nidhi Company.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards;
14. The company hasn't made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. The company hasn't entered into any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Kolkata  
Date : September 6, 2021

For **H. P. Jhunjunwala & Co.**  
*Chartered Accountants*  
Rajendra Jhunjunwala  
*Partner*  
Membership No. 58429  
Firm Regn. No. 302139E  
UDIN: 21058429AAAABW5669

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

Referred to in our independent Auditor's Report of even date on the financial statement of MODERN MALLEABLES LIMITED

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

We have audited the internal financial controls over financial reporting of **MODERN MALLEABLES LIMITED** as of 31 March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **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 Companies Act, 2013.

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

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

Place : Kolkata  
Date : September 6, 2021

For **H. P. Jhunjunwala & Co.**  
*Chartered Accountants*  
Rajendra Jhunjunwala  
*Partner*  
*Membership No. 58429*  
*Firm Regn. No. 302139E*  
UDIN: 21058429AAAABW5669

## ***modern malleables limited***

### **BALANCE SHEET AS AT 31ST MARCH, 2021**

Particulars	Notes	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant & Equipment	3	62,624,755	65,453,764
Financial Assets			
(i) Investments	4	596,646,282	422,009,898
(ii) Other Financial Assets	5	3,026,287	4,434,191
<b>Total Non-current Assets</b>		<b>662,297,323</b>	<b>491,897,853</b>
<b>Current Assets</b>			
Inventory	6	81,960,174	79,257,887
Financial Assets			
(i) Trade Receivables	7	289,669,914	211,943,449
(ii) Cash & Cash Equivalents	8	1,134,477	1,999,045
(ii) Bank Balances other than (ii) above	9	29,454	890,234
Current Tax Assets (Net)	10	14,990,293	-7,324,150
Other current assets	11	27,165,962	39,915,023
<b>Total Current Assets</b>		<b>414,950,274</b>	<b>326,681,489</b>
<b>Total Assets</b>		<b>1,077,247,598</b>	<b>818,579,343</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	2	116,525,000	116,525,000
Other Equity	2	617,166,982	393,731,750
<b>Total Equity</b>		<b>733,691,982</b>	<b>510,256,750</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Financial Liabilities			
Deferred Tax Liability/(Asset)	12	1,937,536	2,140,147
Provisions	13	3,221,235	4,542,922
Other non current liabilities	14	23,888,490	29,988,838
<b>Total Non-current Liabilities</b>		<b>29,047,261</b>	<b>36,671,907</b>
<b>Current Liabilities</b>			
Financial Liabilities			
(i) Short Term Borrowings	15	13,534,841	7,012,089
(ii) Trade Payables	16	290,193,817	258,127,190
Other current Liabilities	17	10,779,696	4,961,407
Provisions	18	-	1,550,000
<b>Total Current Liabilities</b>		<b>314,508,354</b>	<b>271,650,686</b>
<b>Total Equity and Liabilities</b>		<b>1,077,247,598</b>	<b>818,579,342</b>
Significant Accounting policies	1		
The accompanying notes are an integral part of the financial statements In terms of our Report attached herewith.			

For **H.P. Jhunjunwala & Co.**

*Chartered Accountants*

**Rajendra Jhunjunwala**

*Partner*

*Membership No. 58429*

*Firm Regn. No. 302139E*

*UDIN:21058429AAAABW5669*

Place : Kolkata

Dated : September 6, 2021

For and on behalf of the Board of Directors

**B. N. Jhunjunwala**  
*Chairman & Managing Director*

**Siddhishree Jhunjunwala**  
*Director*

**Mina Roy**  
*Director*

**STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2021**

Particulars	Notes	For the Year ended 31.03.2021 Rs.	For the Year ended 31.03.2020 Rs.
I. Revenue from operations	19	383,775,803	932,073,625
II. Other income	20	3,769,269	6,563,252
III. Total Income (I + II)		<u>387,545,072</u>	<u>938,636,877</u>
IV. EXPENSES			
Cost of raw material and components consumed	21	238,713,764	395,274,776
Purchase of stock-in-trade	22	–	59,870,338
(Increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade	23	(11,213,664)	(15,110,107)
Employee benefits expense	24	16,280,233	22,931,109
Loss on Sale Mutual Fund		3,854,403	546,595
Finance costs	25	858,138	1,103,710
Depreciation and amortization expense	3	9,310,028	11,049,929
Other expenses	26	62,954,167	87,297,780
<b>Total Expenses</b>		<u>320,757,069</u>	<u>562,964,130</u>
V. Profit/(Loss) Before Exceptional Items and Tax		66,788,004	375,672,747
VI. Exceptional Items		–	–
VII. Profit/(Loss) Before Tax		<u>66,788,004</u>	<u>375,672,747</u>
VIII. Tax expenses			
Current tax		16,810,540	96,000,000
Deffered tax		202,611	(732,200)
IX. Profit (Loss) for the period from continuing operations		<u>50,180,075</u>	<u>280,404,947</u>
X. Profit (Loss) from discontinued operations		–	–
XI. Tax expense of Old Dues		15,083,981	–
XII. Profit/(loss) from discontinued operations (after tax)		–	–
XIII. Profit/(loss) for the period		35,096,094	280,404,947
XIV. Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit and Loss		188,339,139	–50,880,802
(ii) Income tax relating to items that will not be reclassified to profit or loss		–	–
B (i) Items that will be reclassified to Profit and Loss		–	–
(ii) Income tax relating to items that will be reclassified to profit or loss		–	–
<b>Total Other Comprehensive Income</b>		<u>188,339,139</u>	<u>(50,880,802)</u>
<b>Total Comprehensive Income for the year</b>		<u>223,435,232</u>	<u>229,524,144</u>
XV. Earnings as per equity share [for continuing operations]			
Basic		0.30	2.41
Diluted		0.30	2.41

Significant Accounting policies 1  
The accompanying notes are an integral part of the financial statements  
In terms of our Report attached herewith.

For **H.P. Jhunjunwala & Co.**  
Chartered Accountants

**Rajendra Jhunjunwala**  
Partner  
Membership No. 58429  
Firm Regn. No. 302139E  
UDIN:21058429AAAABW5669

Place : Kolkata  
Dated : September 6, 2021

**B. N. Jhunjunwala**  
Chairman & Managing Director

**Siddhishree Jhunjunwala**  
Director

**Mina Roy**  
Director

**CASH FLOW STATEMENT for the year ended 31st March, 2021**

	For the year ended 31.03.2021		For the year ended 31.03.2020	
	Rs.	Rs.	Rs.	Rs.
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit for the year		6,67,88,004		37,56,72,747
Adjustments for :				
Depreciation	93,10,028		1,10,49,929	
Finance Cost	8,58,138		11,03,710	
Interest income	(7,071)		(2,33,268)	
Loss on sale of Mutual Funds	38,54,403		-	
Profit on sale of Mutual Funds	(13,20,097)	1,26,95,402	-	1,19,20,371
<b>Operating profit before Working Capital Changes</b>		<b>7,94,83,406</b>		<b>38,75,93,118</b>
Adjustments for :				
(Increase)/Decrease in Trade Receivables	(7,77,26,464)		(5,21,64,774)	
(Increase)/Decrease in Inventories	(27,02,287)		(1,38,04,858)	
(Increase)/Decrease in Other Non current Financial Assets	14,07,905		(10,25,539)	
(Increase)/Decrease in Current Assets	(2,23,14,443)		32,79,568	
(Increase)/Decrease in Other Current Assets	1,27,49,061		2,39,34,697	
Increase/(Decrease) in Trade Payables	3,20,66,628		(2,95,57,111)	
Increase/(Decrease) in Other non current Liabilities	(61,00,348)		(2,45,55,153)	
Increase/(Decrease) in other Current Liabilities	58,18,290		(2,49,35,936)	
Increase/(Decrease) in Short term Borrowing	65,22,752		-	
Increase/(Decrease) in Provisions	(28,71,687)		15,82,053	
Net Income tax paid	(1,50,83,981)		-	
Net Income tax paid	(1,68,10,540)	(8,50,45,116)	(9,60,00,000)	(21,32,47,053)
<b>Net Cash from Operating Activities (A)</b>		<b>-55,61,710</b>		<b>17,43,46,065</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	7,071		2,33,268	
Loss on sale of Mutual Funds	(38,54,403)		-	
Profit on sale of Mutual Funds	13,20,097		-	
Investment in Shares & Others	1,37,02,755		(13,32,44,378)	
Fixed Assets Purchased	(64,81,019)		(1,83,53,153)	
Fixed Assets Disposal	-		1,97,371	
Other Comprehensive income	-		(5,08,80,802)	
<b>Net Cash from Investing Activities (B)</b>		<b>46,94,500</b>		<b>(20,20,47,694)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from long -term Borrowings	-		-	
Proceeds from short -term Borrowings	-		65,60,833	
Finance Cost	(8,58,138)		(11,03,710)	
<b>Net Cash used in Financing Activities ( C )</b>		<b>-8,58,138</b>		<b>54,57,123</b>
Net Increase in Cash and Cash Equivalents (A+B+C)		<b>-17,25,348</b>		<b>(2,22,44,506)</b>
Cash and Cash Equivalents at the beginning of the year		<b>28,89,279</b>		<b>2,51,33,784</b>
Cash and Cash Equivalents at the end of the year		<b>11,63,931</b>		<b>28,89,278</b>
Comprises of :				
a) Cash in hand	3,56,948		1,55,219	
b) Balances in Bank	7,77,529		18,43,825	
c) In Fixed deposit with banks	29,454	11,63,931	8,90,234	28,89,278

**Notes:**

- (i) The above cash flow statement has been prepared under the Indirect Method as set out in the Indian Accounting Standards (Ind AS-7) "Cash Flow Statement".  
(ii) Cash and cash Equivalent (Refer Note- 8 of the Financial Statements)

For **H.P. Jhunjunwala & Co.**

Chartered Accountants

**Rajendra Jhunjunwala**

Partner

Membership No. 58429

Firm Regn. No. 302139E

UDIN:21058429AAAABW5669

Place : Kolkata

Dated : September 6, 2021

For and on behalf of the Board of Directors

**B. N. Jhunjunwala**  
Chairman & Managing Director

**Siddhishree Jhunjunwala**  
Director

**Mina Roy**  
Director

**NOTE - 2 STATEMENT OF CHANGES IN EQUITY Ffor the year ended 31st March, 2021**

**A EQUITY SHARE CAPITAL**

Balance as at March 31, 2018	Changes in Equity Share Capital during the year	Balance as at March 31, 2021
116,525,000	-	116,525,000

**B OTHER EQUITY**

Particulars	Reserves & Surplus					Total
	Securities Premium	General Reserve	Capital Reserve Account	Retained Earnings	Investment Reserve	
<b>Balance as at March 31, 2020</b>	129,380,401	-	1,500,000	326,544,075	-63,692,726	393,731,750
Changes in Accounting Policies / Prior Period Errors	-	-	-	-	-	
Restated Balance at the beginning of the reporting period	129,380,401	-	1,500,000	326,544,075	-63,692,726	393,731,750
Total Comprehensive Income for the Year	-	-	-	35,096,094	188,339,139	223,435,232
Transfer to Retained Earnings	-	-	-	-	-	
Dividend Paid	-	-	-	-	-	
DDT paid on Dividend	-	-	-	-	-	
<b>Balance as at March 31, 2021</b>	<b>129,380,401</b>	<b>-</b>	<b>1,500,000</b>	<b>361,640,169</b>	<b>124,646,413</b>	<b>617,166,982</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS Financial year ended 31st March, 2021**

**NOTE: 1 SIGNIFICANT ACCOUNTING POLICIES**

**1.1 CORPORATE INFORMATION**

MODERN MALLEABLES LIMITED is a public company limited by shares and incorporated on 12/05/2000 under the provisions of Indian Companies Act. The equity shares of the Company are listed on the CSE, BSE & NSE Limited. The registered office of the Company is located at 53B, MIRZA GHALIB STREET 2ND FLOOR KOLKATA WB 700016 IN.

**1.2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

**1.2.1 Compliance with Ind AS**

These standalone financial statements comply in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. These standards and policies have been consistently applied to all the years presented. The standalone financial statements are presented in Indian Rupee (Rs), which is the Company's functional and presentation currency.

The financial statements for the year ended 31st March 2018 are the first to have been prepared in accordance with IND AS. Opening balance sheet as on 1st April, 2016 and 31st March, 2017 have been presented as comparatives. The transition was carried out retrospectively as on the transition date which is 1st April 2016, and for any variation in the amounts represented in the comparative balance sheet vis-à-vis earlier presentation, reconciliation is given as part of notes.

**1.2.2 Historical cost convention**

These standalone financial statements have been prepared on a historical cost basis.

**1.2.3 Current versus Non-current Classification**

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- (a) expected to be realised or intended to be sold or consumed in the normal operating cycle.
- (b) held primarily for the purpose of trading.
- (c) expected to be realised within twelve months after the reporting period, or
- (d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (a) it is expected to be settled in the normal operating cycle,
- (b) it is held primarily for the purpose of trading,
- (c) it is due to be settled within twelve months after the reporting period, or
- (d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.



The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### **1.3 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of products are recognised on despatch of goods to customers and are net of sales tax. Revenues from services are recognised when such services are rendered as per contract terms.

All other income are accounted for on accrual basis.

### **1.4 Impairment of non-financial assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

### **1.5 Inventories**

Inventories are valued at lower of cost or market price / fair value. Cost is determined on first-in- first-out (FIFO) basis.

Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary.

### **1.6 Investment and other financial assets**

#### **1.6.1 Classification**

The Company classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value and
- b) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

#### **1.6.2 Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

#### **1.6.3 Impairment of financial assets**

The Company assesses on a forward looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

#### **1.6.4 Derecognition of financial assets**

A financial asset is derecognised only when

- The rights to receive cash flows from the asset have expired.
- The Company has transferred the 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 Company 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 derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. The financial asset is derecognised 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.

### **1.6.5 Income Recognition**

#### **a. Interest Income**

Interest Income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

#### **b. Dividends**

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably which is generally when shareholders approve the dividend.

### **1.6.6 Fair value of Financial Instruments**

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair values result in general approximation of fair values and such value may never actually be realised.

### **1.7 Trade Receivables**

Trade receivables are amounts receivable from customers for goods sold in the ordinary course of business. Trade receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### **1.8 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **1.9 Trade Payables**

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## **1.10 Borrowings**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current and non-current liabilities based on repayment schedule agreed with banks.

## **1.11 Employee benefits**

### **1.11.1 Short term employee benefits**

- (i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- (ii) Post employment and other long-term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuations. Actuarial gains and losses in respect of post employment and other long-term employee benefits are recognised in the Statement of Profit and Loss.

### **1.11.2 Long term employee benefits**

- (i) Contribution towards Provident Funds are recognised as expense in the Statement of Profit & Loss in the period in which the related employee services are rendered. The Provident Fund contributions are made to Government administered Provident Fund towards which the Company has no further obligations beyond its monthly contribution.
- (ii) Provision for gratuity is provided on the basis of Payment of Gratuity Act, 1972 during the current financial year .

## **1.12 Income Tax**

- (i) Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.
- (ii) Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods, measured using the tax rates and tax laws that have been enacted by the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In a situation where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

## **1.13 Provisions and contingent liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimates 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 risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain

future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

**1.14 Earnings per share**

**1.14.1 Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the equity by the weighted average number of equity shares outstanding during the financial year.

**1.14.2 Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

For **H.P. Jhunjhunwala & Co.**

*Chartered Accountants*

**Rajendra Jhunjhunwala**

*Partner*

*Membership No. 58429*

*Firm Regn. No. 302139E*

*UDIN:21058429AAAABW5669*

Place : Kolkata

Dated : September 6, 2021

For and on behalf of the Board of Directors

**B. N. Jhunjhunwala**

*Chairman & Managing Director*

**Siddhishree Jhunjhunwala**

*Director*

**Mina Roy**

*Director*

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS Financial Year ended 31st March, 2021**  
**NOTE : 3. [PROPERTY, PLANT & EQUIPMENT]**

		Gross Block			Accumulated depreciation and impairment				Net Block	
		Balance as at 1 April, 2020	Additions	Disposal	Balance as at 01.04.2020	Depreciation/ amortisation expense for the year	Adjustment on Disposal	Balance as at 31.03.2021	Balance as at 31.03.2021	Balance as at 31.03.2020
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible assets										
<b>Owned Assets :</b>										
Freehold Land	0	1,04,63,832			–				1,04,63,832	1,04,63,832
Building on Factories	4.87%	5,30,18,123			4,91,96,657	1,86,105		4,93,82,763	36,35,361	38,21,466
Plant & Machinerics	18.10%	8,21,63,298	54,12,300		4,17,91,675	77,06,991		4,94,98,666	3,80,76,814	4,03,71,623
Electric Insatallation & Motor	25.89%	30,98,035	7,90,000		19,99,424	3,26,323		23,25,747	15,62,396	10,98,611
Furniture & Fixture	25.89%	30,99,783	24,950		28,62,633	64,867		29,27,500	1,97,234	2,37,150
Office Equipment	45.07%	21,45,900			17,97,691	1,56,938		19,54,629	1,91,269	3,48,209
Computer	63.16%	10,74,674	2,53,772		9,06,783	1,31,358		10,38,141	2,90,306	1,67,890
Vehicles	31.23%	1,13,80,811			90,19,471	7,37,446		97,56,917	16,23,899	23,61,340
Plant & Machinerics	0.00%	18,65,008			–			–	18,65,008	18,65,008
Non Depreciable Assets	0.00%	9,43,72,688			8,96,54,054			8,96,54,054	47,18,634	47,18,634
Total		26,64,00,479	64,81,022	–	20,09,46,714	93,10,028	–	21,02,56,742	6,26,24,755	6,54,53,764
Previous Year Total		24,88,27,326	1,83,53,153	7,80,000	19,00,94,156	1,10,49,929	1,97,371	20,09,46,714	6,54,53,764	5,87,33,169

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS Financial year ended 31st March, 2021 (Contd..)**

	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
<b>Note 4 INVESTMENTS</b>		
(a) <b>Quoted :</b>		
In units of Mutual Fund	<b>52,33,08,942</b>	34,86,72,558
	<b><u>52,33,08,942</u></b>	<b><u>34,86,72,558</u></b>
(b) <b>Unquoted :</b>		
In Equity Shares of Face Value Rs. 10/- each		
Adea Powerquips Private Limited	<b>6,53,37,340</b>	6,53,37,340
Flora Vinimoy Limited	<b>30,00,000</b>	30,00,000
Intime Dealers Private Limited	<b>30,00,000</b>	30,00,000
Jackson Investment Limited	<b>20,00,000</b>	20,00,000
	<b><u>7,33,37,340</u></b>	<b><u>7,33,37,340</u></b>
TOTAL	<b><u>59,66,46,282</u></b>	<b><u>42,20,09,898</u></b>
<b>Note 5 OTHER FINANCIAL ASSETS</b>		
(a) Security deposits	<b>30,26,287</b>	44,34,191
TOTAL	<b><u>30,26,287</u></b>	<b><u>44,34,191</u></b>
<b>Note 6 INVENTORIES</b>		
(a) Raw materials	<b>1,09,62,056</b>	1,94,73,434
(b) Work in Progress & Finished products	<b>7,09,76,517</b>	5,97,62,852
(c) Trading goods at HP	<b>21,601</b>	21,601
TOTAL	<b><u>8,19,60,174</u></b>	<b><u>7,92,57,887</u></b>
<b>Note 7 TRADE RECEIVABLES</b>		
<b>Unsecured, considered good</b>		
(a) Debtors outstanding for more than 6 months	<b>1,09,43,553</b>	60,56,559
(b) Other Trade receivables	<b>27,87,26,361</b>	20,58,86,890
TOTAL	<b><u>28,96,69,914</u></b>	<b><u>21,19,43,449</u></b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS Financial year ended 31st March, 2021 (Contd..)**

	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
<b>Note 8 CASH AND CASH EQUIVALENTS</b>		
(a) Cash in hand	356,948	155,219
(b) Balances with banks In Current Accounts	777,529	1,843,825
TOTAL	1,134,477	1,999,045
 <b>Note 9 BANK BALANCES OTHER THAN (I) ABOVE</b>		
(a) In Fixed Deposit with Banks	29,454	890,234
TOTAL	29,454	890,234
 <b>Note 10 CURRENT TAX ASSETS (NET)</b>		
Advance & Self Asst. Tax	18,000,000	75,000,000
Tax deducted at Source	282,003	13,675,850
Less: Income Tax Provisions	16,810,540	96,000,000
	1,471,463	(7,324,150)
Income Tax Refundable	13,518,830	-
TOTAL	14,990,293	(7,324,150)
 <b>Note 11 OTHER CURRENT ASSETS</b>		
(a) Advance to employees	85,560	832,036
(b) Advance to Others	2,996,000	8,824,742
(c) Advance to suppliers	926,402	7,100,246
(d) Advance to related party	23,158,000	23,158,000
TOTAL	27,165,962	39,915,023
 <b>Note 12 DEFFERED TAX LIABILITY (NET)</b>		
Deferred tax Liability on account of :		
Depreciation	36,39,903	35,09,845
Provision for Employee benefit	(17,02,367)	(13,69,698)
TOTAL	19,37,536	21,40,147

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS Financial year ended 31st March, 2021 (Contd..)**

	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
<b>Note 13 PROVISIONS</b>		
(a) Provision for gratuity	32,21,235	45,42,922
(b) Provision - Others FBT	-	-
TOTAL	<u>32,21,235</u>	<u>45,42,922</u>
<b>Note 14 OTHER NON CURENT LIABILITIES</b>		
(a) Advance from customers	2,38,88,490	2,98,68,440
(b) Others	-	1,20,398
TOTAL	<u>2,38,88,490</u>	<u>2,99,88,838</u>
<b>Note 15 SHORT TERM BORROWINGS</b>		
(a) Secured	1,35,34,841	70,12,089
(a) Unsecured	-	-
TOTAL	<u>1,35,34,841</u>	<u>70,12,089</u>
<b>Note 16 TRADE PAYABLES</b>		
(a) Trade payables	29,01,93,817	25,81,27,190
TOTAL	<u>29,01,93,817</u>	<u>25,81,27,190</u>
<b>Note 17 OTHER CURRENT LIABILITIES</b>		
(a) Statutory dues (including TDS.)	4,11,405	10,12,408
(b) Statutory dues (GST)	78,86,460	14,28,998
(c) Unpaid liabilities	24,81,832	25,20,001
TOTAL	<u>1,07,79,696</u>	<u>49,61,407</u>
<b>Note 18 PROVISIONS</b>		
(a) (ii) Provision for Donation CSR	-	15,50,000
TOTAL	<u>-</u>	<u>15,50,000</u>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS Financial year ended 31st March, 2021 (Contd..)**

	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
<b>Note 19 REVENUE FROM OPERATIONS</b>		
(a) Sale of products		
Sale of manufactured goods	<b>38,33,56,385</b>	86,93,80,320
Sale of trading goods	–	5,99,05,320
	<b>38,33,56,385</b>	92,92,85,640
(b) Other operating revenue		
Discount Received	<b>4,19,418</b>	3,11,187
Job Work	–	24,76,798
	<b>4,19,418</b>	27,87,985
TOTAL	<b>38,37,75,803</b>	93,20,73,625
<b>Note 20 OTHER INCOME</b>		
(a) Interest income (Refer Note (i) below)	<b>7,071</b>	2,33,268
(b) Other non-operating income (Refer Note (ii) below)	<b>37,62,198</b>	63,29,984
TOTAL	<b>37,69,269</b>	65,63,252
(i) Interest income comprises:		
Interest from banks on: deposits	–	221,890
Other interest	<b>7,071</b>	11,378
TOTAL - INTEREST INCOME	<b>7,071</b>	233,268
(ii) Other non-operating income comprises:		
Lease Income	<b>2,400,000</b>	2,400,000
Miscellaneous income	<b>42,102</b>	38
Royalty–	<b>2,196,818</b>	
Profit on sale of fixed asset	–	197,371
Profit on sale of Mutual fund	<b>1,320,097</b>	1,535,757
TOTAL - OTHER NON-OPERATING INCOME	<b>3,762,198</b>	6,329,984

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS Financial year ended 31st March, 2021 (Contd..)**

	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
<b>Note 21 COST OF MATERIALS CONSUMED</b>		
Opening stock	19,473,434	20,778,683
Add: Purchases	230,202,386	393,969,528
	<b>249,675,821</b>	414,748,211
Less: Closing stock	<b>10,962,056</b>	19,473,434
Cost of material consumed	<b>238,713,764</b>	395,274,776
Material consumed comprises:		
Raw material - Raw Materials	133,646,976	175,110,136
Raw material - Components	95,465,064	208,813,862
Raw material - Packing materials	1,944,513	853,841
Other items - Stores items etc	7,657,212	10,496,937
TOTAL	<b>238,713,764</b>	395,274,776
<b>Note 22 PURCHASE OF TRADING GOODS</b>		
Traded goods	-	59,870,338
TOTAL	-	59,870,338
<b>Note 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Inventories at the end of the year:</b>		
Finished goods and Work in Progress	70,976,517	59,762,852
Stock-in-trade	21,601	21,601
	<b>70,998,118</b>	59,784,453
<b>Inventories at the beginning of the year:</b>		
Finished goods & Work-in-progress	59,762,852	44,652,746
Stock-in-trade	21,601	21,601
	<b>59,784,453</b>	44,674,347
Net (increase) / decrease	<b>-11,213,664</b>	-15,110,107
<b>Note 24 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and wages	14,830,331	21,474,598
Contributions to provident and other funds	508,092	787,351
Staff welfare expenses	941,810	669,160
TOTAL	<b>16,280,233</b>	22,931,109
<b>Note 25 FINANCE COSTS</b>		
<b>(a) Interest expense on:</b>		
(i) Borrowings	850,708	1,066,084
(ii) Others	7,430	37,626
TOTAL	<b>858,138</b>	1,103,710

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS Financial year ended 31st March, 2021 (Contd..)**

	As at 31.03.2021 Rs.	As at 31.03.2020 Rs.
<b>Note 26 OTHER EXPENSES</b>		
Power and fuel	6,299,641	8,239,340
Rent including lease rentals	5,280,000	3,320,000
Repairs and maintenance - Buildings	1,957,530	3,600,967
Repairs and maintenance - Machinery	1,423,539	1,840,600
Repairs and maintenance - Others	1,557,994	2,927,385
Insurance	371,174	253,881
Rates and taxes	280,378	295,581
Telephone Expenses	208,475	267,421
Travelling and conveyance	1,671,851	4,349,592
Printing and stationery	240,657	458,572
Postage & Telegram	83,419	-
Freight and forwarding	1,352,551	2,353,440
Freight and forwarding-Outward	2,460,276	-
Business promotion	433,841	124,887
Legal and professional	1,183,010	2,465,769
Payments to auditors (Refer Note (i) below)	82,000	50,000
Miscellaneous expenses	3,886,438	5,277,785
Bank Charges	275,322	551,286
Books & Periodicals	85,435	-
Computer Maintenance Expenses	270,367	-
Directors' remuneration	3,076,964	2,321,096
Reserch & Development Expenses	6,238,573	10,982,471
Other Manufacturing Expenses	14,717,285	34,051,713
Entry Tax	2,465,311	-
I Tax Demand	32,900	1,500,000
IT vivad se vishwas scheme F.Y. 2009-10	2,197,309	-
CST/VAT Assessment	-	363,258
Donation under CSR	4,543,000	1,550,000
Prov for Expenses	-	152,737
Currency Fluctuation Loss.	278,925	-
TOTAL	<b>62,954,167</b>	<b>87,297,780</b>

**Notes:**

(i) Payments to the auditors comprises (net of service tax input credit, where applicable):

As auditors - statutory audit	50,000	50,000
For other services	32,000	-
TOTAL	<b>82,000</b>	<b>50,000</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS Financial year ended 31st March, 2021 (Contd..)**

	As at 31.03.2021 Rs. in lacs	As at 31.03.2020 Rs. in lacs
<b>Note 27 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS</b>		
<b>27.1 Contingent Liability :</b>		
Contingent liabilities and commitments (to the extent not provided for)		
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt (give details)	-	173.19
(b) Guarantees	<b>9.74</b>	9.74
(c) Entry Tax	-	24.64
Expenditure in foreign currency		
Membership Fees	-	-
Other matters (Testing Fees & Travelling)	-	7.45
Import of goods	<b>508.43</b>	1,049.87

**27.2 Consumption of Imported and Indigenous Items :**

Details of consumption of imported and indigenous items

**Indigenous**

	For the year ended 31st March, 2021	
	(Rs in lacs)	%
Raw materials	1,336.47	55.99
	<b>(1,751.10)</b>	<b>(44.30)</b>
Components	954.65	39.99
	<b>(2,088.14)</b>	<b>(52.83)</b>
Spare parts	96.02	4.02
	<b>(113.50)</b>	<b>(2.87)</b>
Total	<b>2,387.14</b>	<b>100</b>
Previous year	<b>(3,952.74)</b>	<b>(100)</b>

Note : Figures / percentages in brackets relates to the previous year

**27.3 Earnings in foreign exchange :**

Particular	For the year ended 31st March, 2021 Rs.	For the year ended 31st March, 2020 Rs.
Earnings in foreign exchange		
Other income, indicating the nature thereof	-	-

**27.4 Employees Retirement Benefits :**

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.5,08,092/- (previous year ended 31 March, 2020 Rs 7,87,351/- ) The Company offers the following employee benefit schemes to its employees:

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS Financial year ended 31st March, 2021 (Contd..)**

**i. Gratuity**

**ii. Other defined benefit plans (specify nature)**

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

	<b>For the year ended 31st March, 2021 Gratuity</b>	For the year ended 31st March, 2020 Gratuity
<b>Components of employer expenses:</b>		
Current service cost	<u>176,901</u>	832,846
Total expense recognised in the Statement of Profit and Loss	<u>176,901</u>	<u>832,846</u>
Actual contribution and benefit payments for year	-	-
Net asset / (liability) recognised in the Balance Sheet	-	-
Present value of defined benefit obligation	-	-
Unrecognised past service costs	<u>3,221,235</u>	4,542,922
Net asset / (liability) recognised in the Balance Sheet	<u>(3,221,235)</u>	<u>(4,542,922)</u>

**27.5 Research and Development Expenses :**

	<b>For the year ended 31st March, 2021 Rs.</b>	For the year ended 31st March, 2020 Rs.
Details of research and development expenditure recognised as an expense		
Employee benefits expense	<u>4,750,236</u>	6,165,035
Testing Fees	<u>43,186</u>	98,672
Others	<u>1,488,337</u>	4,718,764
Total	<u>6,281,759</u>	<u>10,982,471</u>

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**27.6 Related Party Transactions :**

Details of related parties:

Description of relationship	<b>Names of related parties</b>
Key Management Personnel (KMP)	Mr. Biswanath Jhunjhunwala
Relatives of KMP	Mrs. Anubha Dhandhania
Mrs. Siddhishree Jhunjhunwala	
Company in which KMP / Relatives of KMP can exercise significant influence	Eri-Tech Limited C and J Properties Pvt. Ltd. Sthavishthay Investment and Trading Pvt. Ltd.

Note : Related parties have been identified by the Management.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS Financial year ended 31st March, 2021 (Contd..)**

Details of related party transactions during the year ended 31 March, 2021 and balances outstanding as at 31 March, 2021:  
Rs.in Lakhs

KMP	Relatives	Entities in of KMP	Total which KMP / relatives of KMP have significant influence	
Purchase of goods	—	—	495.64	495.64
Sale of goods	—	—	3,909.97	3,909.97
Purchase of fixed assets	—	—	—	—
Receiving of services	—	—	50.68	50.68
Rendering of services	40.21	15.80	28.32	84.33
Finance (including loans and equity contributions in cash or in kind)	—	—	—	—
Balances outstanding at the end of the year	—	—	—	—
Trade receivables	—	—	2,520.14	2,520.14
Loans and advances	—	—	—	—
Trade payables	—	—	761.72	761.72

**27.7 Earnings per share :**

Particulars	For the year ended 31st March, 2021 Gratuity	For the year ended 31st March, 2020 Gratuity
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**Earnings per share :**

**(i) Basic**

Net profit / (loss) for the year	<b>35,096,094</b>	280,404,947
(Add) / Less: Extraordinary items (net of tax) relating to continuing operations	—	—
Less: Preference dividend and tax thereon	—	—
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	<b>35,096,094</b>	280,404,947
Weighted average number of equity shares	<b>116,525,000</b>	116,525,000
Par value per share	<b>Re. 1/-</b>	Re. 1/-
Earnings per share from continuing operations, excluding extraordinary items - Basic	<b>Rs. 0.30</b>	Rs. 2.41

**(ii) Diluted**

The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible bonds for the respective periods. Since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.

For **H.P. Jhunjunwala & Co.**

Chartered Accountants

**Rajendra Jhunjunwala**

Partner

Membership No. 58429

Firm Regn. No. 302139E

UDIN:21058429AAAABW5669

Place : Kolkata

Dated : September 6, 2021

For and on behalf of the Board of Directors

**B. N. Jhunjunwala**  
Chairman & Managing Director

**Siddhishree Jhunjunwala**  
Director

**Mina Roy**  
Director