



Registered Office & Works : Talheti, Village : Karoli,
Tehsil: Abu Road, Dist : Sirohi - 307510 (Rajasthan) India
Phone : 02974 - 228044, 228045, 228046, 228047
www.moderninsulators.com CIN- L31300RJ1982PLC002460
Email : mailabu@moderninsulators.com

Date: - 06/09/2023

BSE Ltd.

Department of Corporate Services

1st Floor, New Trading Ring,
Rotunda Building
P J Towers, Dalal Street,
Fort Mumbai – 400 001

Sub: - Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-Annual Report for the financial year ended 31st March 2023 including Notice of the 38th Annual General Meeting.

Scrip Code: 515008

Dear Sir/ Ma'am,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the Annual Report for the financial year ended 31st March 2023 including Notice of the 38th Annual General Meeting (AGM) of the Company to be held on Thursday, 28th September 2023 at 11.00 a.m. at the registered office of the Company.

The Annual Report for the financial year ended 31st March 2023 and the Notice of the 38th AGM are being dispatched electronically to the members whose email IDs are registered with the Company/ Depositories/Registrar & Share Transfer Agent.

The Notice of 38th AGM and the Annual Report for the financial year ended 31st March 2023 is also uploaded on the Company's website and can be accessed at <https://www.moderninsulators.com/Investors/Modern/Financial/annualreport 22-23.pdf>.

This is for your information and record.

Thanking you.

Yours faithfully,

For **Modern Insulators Limited**

Vikas Sharma

Executive Director

DIN:00761202

ANNUAL REPORT
2022-2023



Modern
INSULATORS LIMITED

BOARD OF DIRECTORS

- Shri Sachin Ranka – Chairman & Managing Director
Shri Shreyans Ranka – Whole-Time Director
Shri P.K. Gokhroo – Executive Director
Shri R. Raniwala – Independent Director
Smt. Meenu Sacheti – Independent Director
Shri S.K. Sharma – Independent Director
Shri Rahul Singhvi – Independent Director

CHIEF FINANCIAL OFFICER

Shri D.S. Singhvi

AUDITORS

M/s R.B. Verma & Associates
Chartered Accountants,
Jaipur - 302 001

SECRETARIAL AUDITORS

M/s. Anshika & Associates,
Practicing Company Secretaries,
Jaipur - 302 021

REGISTRAR & SHARE TRANSFER AGENT

Beetal Financial & Computer Services Pvt. Ltd.
Beetal House, 3rd Floor, 99 Madangir
New Delhi - 110 062

REGISTERED OFFICE

Talheti, Village Karoli, Teh. Abu Road
Dist. Sirohi - 307 510 (Rajasthan)
Ph. : 02974-228044
E-mail : compliance@moderninsulators.com

CORPORATE HEAD QUARTER

68/69, Godavari, Pochkhanwala Road,
Worli, Mumbai - 400 025

PLANTS

Insulators Division

Abu Road - 307 510
Distt. Sirohi (Rajasthan)

Terry Towels Division

Village : Nidrad
Taluka : Sanand - 382 110
Ahmedabad (Gujarat)

NOTICE

NOTICE is hereby given that the 38th Annual General Meeting of the Members of **Modern Insulators Limited** will be held on Thursday the 28th day of September, 2023 at 11:00 A.M. at Registered Office of the Company at Modern Insulators Limited, Talheti, Village Karoli, Tehsil Abu Road, Dist. Sirohi - 307510 to transact the following business:

A. ORDINARY BUSINESS

- (1) To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended 31st March, 2023 and the reports of the Board of Directors and Auditors thereon.
- (2) To appoint a director in place of Shri Shreyans Ranka (DIN: 06470710), who retires from office by rotation and being eligible, offers himself for re-appointment.

B. SPECIAL BUSINESS

- (3) **To re-appoint Shri Shreyans Ranka (DIN: 06470710) as a Whole Time Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, and 201 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable regulations of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors, approval of the members of the Company be and is hereby accorded for re-appointment and payment of remuneration to Shri Shreyans Ranka (DIN:06470710) as a Whole-Time Director of the Company for five year with effect from 01.04.2024 whose office shall be liable to retire by rotation, on the terms and conditions as mentioned below:-

- i) **Basic Salary:** - Rs. 2,36,250/- per month from 01.04.2024 with such increments as the Board may decide from time to time.
- ii) **Perquisites and allowances:** -
 - a) Company's contribution towards Provident Fund as per Company's Rules but not exceeding 12% of the basic salary.
 - b) Company's contribution towards National Pension System (NPS) as per the Company's rules but not exceeding 10% of the basic salary.
 - c) Free use of car with driver, for Company's business.
 - d) Free Telephone facility at residence. All personal long-distance calls shall be billed by the Company
 - e) Gratuity not exceeding half month's salary for each completed year of service as provided in Gratuity Act.
- iii) He shall not be paid any sitting fees for attending the meetings of Board of Directors or any Committee thereof.
- iv) Shri Shreyans Ranka shall be subject to retire by rotation during his tenure as the Whole Time Director of the Company.

“RESOLVED FURTHER THAT pursuant to Section 197 of Companies Act, 2023 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and rules made thereunder, where in any financial year during the tenure of Shri Shreyans Ranka, as a Whole-Time Director, the Company has no profits or its profits are inadequate, the Company may pay to him the above remuneration as the minimum remuneration by way of salary

subject to the requisite approvals, if any.”

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

- (4) **To approve the re-appointment of Shri S.K Sharma as an Independent Director of the company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, based on the recommendation of the Nomination and Remuneration Committee of the Board of Directors and the Board of the Company and being eligible, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, the approval of the members of the Company be and is hereby accorded for re-appointment of Shri S.K Sharma (DIN:01378040), who has attained the age of 75 years, as an Independent Director of the Company for a 2nd term of 5 (five) consecutive years commencing from the date of conclusion of 38th Annual General Meeting of the company.

“RESOLVED FURTHER THAT the Board of Directors of the Company and/or Company Secretary of the Company be and are hereby severally and/or jointly authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

- (5) **To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2024**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Rajesh & Company, Cost Accountants (Firm Registration No. 000031), the Cost Auditors appointed by the Board of Directors on the recommendation of the Audit Committee, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024, be paid the remuneration of Rs. 50,000/- and reimbursement of expenses upto Rs. 25,000/- be and is hereby ratified and approved.”

“RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By the Order of the Board

Place : Abu Road
 Date : 10th August, 2023

(Vikas Sharma)
 Executive Director
 DIN: 00761202

Notes:

1. The Explanatory Statement pursuant to Section 102 and/or any other applicable provisions of the Companies Act, 2013 setting out the material facts in respect of Item No. 3 to 5 set out in the Notice and the details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of Secretarial Standards on the General Meeting (SS-2) issued by the Institute of Company Secretaries of India, in respect of the person(s) seeking appointment/ re-appointment as Director at the Annual General Meeting, is annexed hereto.

2. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015 (as amended), the Company is pleased to provide its members the facility of “remote e-voting” (e-voting from a place other than venue of the AGM) to exercise their right to vote at the AGM. The business may be transacted through e-voting services provided by Central Depository Services (India) limited (“CDSL”).
3. A member entitled to attend and vote at the Annual General Meeting is

- entitled to appoint a proxy to attend and vote in the meeting instead of himself/herself and the proxy need not be a member of the Company. In terms of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members holding in the aggregate, not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.
4. The proxy form duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.
 5. Institutional / Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution together with specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting. The said certified true copy of the Board resolution should be sent to the Scrutinizer by email through its registered email address to anshugupta.cs@gmail.com with a copy marked to compliance@moderninsulators.com.
 6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 7. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
 8. Details of Directors retiring by rotation/seeking re-appointment at the ensuing Meeting are provided in the "Annexure" to the Notice.
 9. The Share transfer books and Register of members shall remain closed from 22nd September, 2023 to 28th September, 2023 (both days inclusive) in connection with the Annual General Meeting.
 10. Section 20 of the Companies Act, 2013 permits service of documents on members by a company through electronic mode. So in accordance with the Companies Act, 2013 read with the Rules framed thereunder, the Annual Report for the year 2022-23 is being sent through electronic mode to those members whose email addresses are registered with the Company/Depository Participant.
 In line with the General Circulars No. 20/2020 dated May 5, 2020 and No. 02/2021 dated January 13, 2021, issued by the MCA and the SEBI Circulars, Notice of the AGM along with the Integrated Annual Report for the year 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories/RTA, unless any Member has requested for a physical copy of the same. The Notice of AGM and Annual Report for the year 2022-23 are available on the Company's website viz. www.moderninsulators.com and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also available on the website of CDSL at www.evotingindia.com.
 11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH - 13. Members are requested to submit the said details to their depository participants ("DPs") in case the shares are held by them in electronic form and to Beetal in case the shares are held by them in physical form.
 12. Members holding shares in physical mode are requested to dematerialize their shares by surrendering their share certificates to their Depository Participants (DPs). Members are requested to quote ISIN: INE219W01012 of the Company for dematerialization of the shares.
 13. Members holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code, IFCS code of the branch, type of account and account number to our Registrar and Share Transfer Agent, Beetal Financial & Computer Service Pvt. Ltd. Beetal House, 3rd Floor, 99 Madangir, Behind LSC, New Delhi-110062.
 14. Members who have not registered their email addresses so far are requested to register their e-mail IDs with M/s. Beetal Financial & Computer Services Pvt. Ltd, the Registrars & Share Transfer Agent of the Company and Members holding shares in demat mode are requested to register their e-mail IDs with their respective DPs in case the same is still not registered.
 15. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Company's Registrar and Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the share transfer form SH-4 for this purpose.
 16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share transfer Agent.
 17. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
 18. As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) are not being processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
 19. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be, immediately of:
 - a. The change in the residential status on return to India for permanent settlement.
 - b. The particulars of the NRE account with a Bank in India, if not furnished earlier.
 20. The Statutory Registers maintained under the provisions of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
 21. Members are requested to send all communications relating to shares and unclaimed dividends, change of address etc. to the Registrar and Share Transfer Agent at the following address:
 Beetal Financial & Computer Service Pvt. Ltd. Beetal House, 3rd Floor, 99 Madangir, Behind LSC, New Delhi-110062
 22. A Member desirous of getting any information on the accounts of the Company is requested to forward his request to the Company at least 10 days prior to the Meeting so that the required information can be made available at the Meeting.
 23. A route map showing directions to reach the venue of the Annual General Meeting is given with the Annual Report.
 24. **Voting**
 All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. 21st September, 2023 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting at the General Meeting.
 - (I) **Voting through Electronic means**
 1. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company provides to Members the facility of exercising their right to cast vote(s) at the AGM by electronic means and the business may be transacted through e-voting services.

2. The facility for voting through Ballot/Poll Paper shall also be made available at the AGM and the members attending the meeting, who have not already cast their vote through remote e-voting, shall be able to exercise their right at the AGM.
3. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
4. The remote e-voting period commences on Monday, 25th September, 2023 (9:00 am) and ends on Wednesday, 27th September, 2023 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 21st September, 2023 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
5. The Board of Directors of the Company has appointed Smt. Anshika Gupta, Practicing Company Secretary as Scrutinizer for scrutinizing the voting and remote e-voting process in a fair and transparent manner.
6. The Results shall be declared within 48 hours after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the company's website www.moderninsulators.com and on the website of CDSL www.evotingindia.com and the same shall also be communicated to BSE Limited.
7. Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. 21st September, 2023 may obtain the User ID and password in the manner as mentioned below.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period begins on Monday, 25th September, 2023 (9:00 am) and ends on Wednesday, 27th September, 2023 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21st September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholder's/retail shareholders is at a negligible level.
 Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
 In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
 Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

(V) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.

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

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demats shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id/folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; compliance@moderninsulators.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (xvii) If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.
- (xviii) All grievances connected with the facility for voting by electronic means may be addressed to Shri Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to or call on 022-23058542/43.

**ANNEXURE TO NOTICE
EXPLANATORY STATEMENT**
(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 3

The members of the Company at the Annual General Meeting held on 30th September, 2021 had approved the re-appointment of Shri Shreyans Ranka (DIN: 06470710) as the Whole Time Director of the Company for the period of three years i.e. from 01.04.2021 till 31st March, 2024.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on 10th August, 2023 has approved the reappointment of Shri Shreyans Ranka as the Whole Time Director of the Company for a period of 5 years w.e.f. 1st April, 2024, subject to approval of the members in 38th Annual General Meeting upon terms and conditions set out in the resolution as approved by the Board of Directors.

Considering the contribution of Shri Shreyans Ranka and the progress made by the Company under his leadership and guidance the Board is of the view that the reappointment of Shri Shreyans Ranka as WTD is in the interest of the company.

Shri Shreyans Ranka is not disqualified from being re-appointed as a Whole Time Director in terms of Section 164 of the Act, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given his consent for the said re-appointment.

Shri Shreyans Ranka is Bachelor in Industrial Engineering from University of Illinois at Urbana-Champaign, USA & Masters in Management at Imperial Business School, London. He has more than 10 years of experience in the field of management and has consented to act as a Whole Time Director of the Company.

The disclosure relating to Shri Shreyans Ranka, as required under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, is set out as an Annexure to the Notice.

The Board recommends the Special Resolution set out at Item No. 3 of this Notice for approval by the Members.

Except Shri Sachin Ranka, Chairman & Managing Director of the Company and Shri Shreyans Ranka, being an appointee, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 3 of the Notice.

Item No. 4

The Board of Directors had appointed Shri S.K. Sharma (DIN: 01378040) as the additional director of the company. He had served as an Independent Director of the company on the board for several years previously and played a pivotal role in guiding the company with his experience and knowledge.

Nomination and Remuneration Committee (‘NRC’) considered the re-appointment of Shri S.K Sharma as an Independent Director. Based on the performance evaluation and considering his background, experience, and contribution to the board, the NRC recommended that Shri S.K Sharma be re-appointed as Independent Director of the Company for a second term of 5 years commencing from the conclusion of 38th Annual General Meeting of the company.

Accordingly, the Board at their meeting held on 10th August, 2023 recommends to the members the re-appointment of Shri S.K Sharma as Independent Director for approval of shareholders of the Company.

The Company has received a declaration from Shri S.K Sharma to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company.

Further, as per Regulation 17(1A) of the Listing Regulations, no listed entity shall appoint or continue the Directorship of a Non-Executive Director who has attained the age of 75 years, unless a Special Resolution passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment. Shri S.K Sharma attained the age of 75 years on 08.06.2023. Consent of the shareholders for the said reappointment is, therefore, sought through Special Resolution under Section 149 of the Companies Act, 2013 as well as under Regulation 17(1A) of the Listing Regulations.

Shri S.K Sharma is a Bachelor of Science and LLB. He has more than 40 years of experience in Finance, Legal, and management in various sectors. Despite reaching the age of 75, we firmly believe that he would bring invaluable expertise and experience that will continue to be of great benefit to the company.

Further details and current directorships as required under SEBI Listing Regulations and Secretarial Standard-2 for General Meetings are provided in Annexure to this Notice. The terms and conditions of reappointment of Shri S.K Sharma as an Independent Director would be made available for inspection to the Members on sending a request along with their DP/Client ID or Folio No. from their registered e-mail address to the Company at compliance@moderninsulators.com. In compliance with the provisions of

Section 149 read with Schedule IV of the Act, the reappointment of Shri S.K Sharma (DIN: 01378040) as an Independent Director of the Company is being placed before the members for approval.

Accordingly, the Board recommends the Special Resolution as set out at Item No. 4 of this notice in relation to the re-appointment of Shri S.K Sharma (DIN: 01378040) as an Independent Director of the Company for the Second term for a period of 5 years commencing from the conclusion of 38th Annual General Meeting of the company.

Except Shri S.K Sharma (DIN: 01378040), none of the other Directors or Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution set out in the Notice.

Shri S.K Sharma (DIN: 01378040) is not related to any other Director or Key Managerial Personnel of the Company.

Item No. 5

The Board, on the recommendation of the Audit Committee, has approved

the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company across for the financial year ending March 31, 2024.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing of resolution for ratification of the remuneration payable to the Cost Auditors of the Company for the financial year ending March 31, 2024.

None of the Directors or key managerial personnel of the Company or their relatives is directly or indirectly concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 for approval of the members.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT

[Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard – 2 on General Meetings]

Name of Director	Shri S.K Sharma	Shri Shreyans Ranka
Director Identification (DIN)	01378040	06470710
Date of Birth	08/06/1948	21/02/1988
Date of first appointment	01/04/2019	01/04/2018
Expertise in specific functional areas	He has more than 40 years of experience in Finance, Legal, and management in various sectors	Finance and Corporate Management
Qualification	Bachelor of Science and LLB	Bachelor in Industrial Engineering from University of Illinois at Urbana - Champaign, USA & Masters in Management at Imperial Business School, London
No. of shares held in Company	Nil	500
Relationships between Directors and Key Managerial Personnel inter-se	N.A	Son of Chairman & Managing Director
Terms and Conditions of Appointment	Reappointment as an Independent Director for a period of 5 years	Reappointment as an Whole Time Director for a period of 5 years
Directorships held in Companies on date of this AGM Notice	1 (Modern Denim Limited) Category-Independent Director	Nil
Position held in mandatory Committees of other companies	(Modern Denim Limited) Audit Committee: Chairman Nomination and Remuneration Committee: Chairman Stakeholder Relationship Committee: Chairman	Nil
Details of Remuneration sought to be paid	Nil	As approved by NRC and Board.
Number of meetings of the Board attended during F.Y. 2022-23	5 out of 6 board meetings.	6 out of 6 board meetings.

DIRECTORS' REPORT

To the Members of Modern Insulators Limited

Your Directors are pleased to present the 38th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2023.

FINANCIAL PERFORMANCE

(₹ in Crores)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022
Revenue from Operations	430.96	436.22	430.96	441.62
Other income	15.34	11.96	15.10	11.78
Total revenue	446.30	448.18	446.06	453.40
Profit before finance cost and depreciation	38.87	34.47	38.52	34.55
Finance cost	4.15	5.20	4.15	5.20
Depreciation	8.68	8.73	8.68	8.73
Profit before exceptional items and tax	26.04	20.54	25.69	20.62
Exceptional Items	—	—	—	—
Profit before tax	26.04	20.54	25.69	20.62
Tax expense (Current)	—	—	—	—
Deferred Tax	(2.26)	(1.36)	(2.26)	(1.36)
Profit after tax	28.30	21.90	27.95	21.98
Other comprehensive income (Net of tax)	0.17	0.02	0.17	0.02
Total comprehensive income	28.47	21.92	28.12	22.00
Retained earnings at the beginning of the year	272.86	250.94	271.44	249.44
Retained earnings at the end of the year	301.33	272.86	299.56	271.44

OPERATIONS

The Standalone revenue from operations for the year has been ₹ 430.96 crores as against ₹ 436.22 crores in previous year and net profit for the year stood at ₹ 28.47 crores as against ₹ 21.92 crores in previous year.

The consolidated revenue from operations for the year has been ₹ 430.96 crores as against ₹ 441.62 crores in previous year and net profit for the year stood at ₹ 28.12 crores as against ₹ 22.00 crores in previous year.

DIVIDEND AND RESERVES

The Board of Directors of your Company, after considering holistically the relevant circumstances and keeping in view the growth opportunities that your company is currently engaged with, has decided that it would be prudent not to recommend any dividend for the year under review

There is no dividend which remains outstanding or to be paid & required to be transferred to the IEPF by the Company during the year ended 31st March 2023. During the year under review, no amount from the profit is transferred to General Reserve.

ALLOTMENT OF SHARES BY MODERN POLYTEX LIMITED (MPL) PURSUANT TO DEMERGER OF YARN DIVISION OF THE COMPANY

A joint application was filed by your Company and MPL for seeking clarification for the issue of shares of MPL to the shareholders of MIL pursuant to the order of NCLT, New Delhi dated 12.12.2017. NCLT vide its order dated 18.01.2023 has given clarification on the same. Accordingly, both Companies are taking effective steps to complete the formalities relating to the allotment of shares of MPL pursuant to the demerger of the Yarn Division of the Company and thereafter listing of the same.

SCHEME OF ARRANGEMENT FOR THE MERGER OF MODERN DENIM LIMITED INTO THE COMPANY

The Board of Directors of your Company had approved the merger/ amalgamation of Modern Denim Limited with the Company under the ambit

of Board for Industrial & Financial Reconstruction (BIFR). Since, SICA stood repealed and BIFR stand dissolved in terms of Sick Industrial Companies (Special Provisions) Repeal Act, 2003 the Board of Directors has approved the scheme of compromise, arrangement and amalgamation of Modern Denim Limited with the Company under the provisions of section 230-232 of the Companies Act, 2013.

The Scheme has been approved by the shareholders and creditors of the Company at their respective meetings held on 23rd July 2022. Thereafter Company has filed the Second Motion Petition for approval of the Scheme of arrangement for the merger of Modern Denim Limited into the company with the Hon'ble NCLT, Jaipur Bench.

The Hon'ble NCLT, vide its order dated July 31, 2023, has given necessary directions to all concerned to submit their observation/objection, if any on or before next hearing date i.e. 18th September, 2023 fixed for the consideration of the scheme of arrangement for the merger of Modern Denim Limited into the company under section 230 to 232 of the Companies Act, 2013.

The consolidation of two companies will facilitate savings in the administrative cost and also be beneficial in terms of saving of Income Tax under the provisions of Income Tax Act, 1961.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, Listing Regulations and Ind AS 110 - Consolidated Financial Statements (CFS)/and Ind AS 28- Investment in Joint Ventures, the Audited Consolidated Financial Statements forms an integral part of this Annual Report.

Performance of Subsidiary/ Joint Venture

Modern Metal High-Tech Components Private Limited (Formerly Modern Inviro Private Limited)

The subsidiary company was incorporated on December 23, 2019 which has not commenced its operations yet.

Shriji Designs - MIL (JV)

The company has entered into Joint Venture Agreement with Shriji Designs to participate in railways EPC tender. The JV was awarded tender for design, supply, erection, testing and commissioning of 25 KV OHE between Sanwad-Nimarkhedi NTPC siding of Western Railway. The revenue from operations during the year has been ₹ Nil Lacs as against ₹ 529.28 Lacs in previous year and has incurred loss of ₹ 30.13 Lacs as against profit of ₹ 17.61 Lacs in previous year.

SEC - MIL (JV)

The company has entered into Joint Venture Agreement with Sikka Engineering Company on 09th July, 2020 which has not yet commenced any operations.

SHARE CAPITAL

The Authorized Share Capital of the Company stood at ₹ 95.00 crore. During the year under review, the Company has not altered/modified the authorized share capital of the Company. The paid-up Equity Share Capital as at March 31, 2023 stood at ₹ 47.14 crore.

FINANCE AND ACCOUNTS

Your Company follows Indian Accounting Standards (Ind AS) mandated by the Ministry of Corporate Affairs for the preparation of its financial statements. Your Company has consistently applied applicable Accounting policies during the year under review. The standalone and consolidated financial statements along with Notes to the Financial Statements form an integral part of this Annual Report. Management evaluates all recently issued or revised accounting standards on an ongoing basis. The Company discloses consolidated and standalone financial results on a quarterly basis which are subjected to limited review and publishes consolidated and standalone audited financial results on an annual basis. There were no revisions made to the financial statements during the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, a

Management Discussion and Analysis Report is given in **Annexure - A.**

CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, a report on Corporate Governance along with a Certificate from the Company Secretary in Practice towards compliance of the provisions of Corporate Governance, forms an integral part of this Annual Report and are given in **Annexure - B.**

The Executive Director and the Chief Financial Officer have certified to the Board with regard to financial statements and other matters as required under Regulation 17(8) read with Schedule II to the SEBI (LODR) Regulations, 2015.

SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANIES

As on March 31, 2023, your Company has one wholly-owned subsidiary company and two joint venture firms. The company does not have any associate company.

During the year under review, no changes occurred in your Company's holding structure. However w.e.f. 19.06.2023 Modern Metal High-Tech Components Private Limited ceased to be a wholly owned subsidiary company.

In accordance with the provisions of Section 129(3) of the Act, read with the Companies (Accounts) Rules, 2014, a report on the performance and financial position of the subsidiary and joint venture Companies is provided, in the prescribed Form AOC-1, in **Annexure 'C'**

Further, pursuant to the provisions of Section 136 of the Companies Act, 2013, the audited financial statements along with other relevant documents, in respect of the subsidiary, are available on the website of the Company, in the link <https://www.moderninsulators.com/financial-information/>.

The policy for determining material subsidiaries of the Company has been provided in the following link: <https://www.moderninsulators.com/policies/>.

PARTICULAR OF LOANS, GUARANTEES AND INVESTMENT BY THE COMPANY

Pursuant to the provisions of Section 186 of the Companies Act, 2013 and schedule V of SEBI (LODR) Regulations, 2015, disclosures on particulars relating to loans, advances and investments are provided as part of the financial statements. There are no guarantees issued or securities provided by your Company in terms of Section 186 of the Act, read with the rules issued thereunder.

DEPOSITS

During the year, your Company has not accepted or renewed any deposits within the meaning of Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014, and, as such, no amount of principal or interest was outstanding, as on the date of the Balance Sheet.

ANNUAL RETURN

Pursuant to Section 134(3) (a) of the Act, the draft annual return as on March 31, 2023 prepared in accordance with Section 92(3) of the Act is made available on the website of the Company and can be assessed using the link <https://www.moderninsulators.com/financial-information/>.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year, all contracts/arrangements/transactions entered into by your Company with Related Parties were on arm's length basis and in the ordinary course of business. There are no material transactions with any Related Party as defined under Section 188 of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014.

In line with the requirements of the Act and amendment to the Listing Regulations all Related Party Transactions have been approved by the Audit Committee and certain transactions, which were repetitive in nature, were approved through an omnibus route and reviewed on a quarterly basis by Audit Committee. All transactions entered with related parties during the year under review were on arm's length basis and not material in nature

and thus a disclosure in Form AOC-2 in terms of Section 134 of the Act is not required.

The details of transactions with related parties for the financial year ended 31st March, 2023, are given in **Note No. 36** to the Standalone Financial Statements forming part of this Annual Report.

Your Company has formulated a 'Policy on Related Party Transactions', which is also available on the Company's website at <https://www.moderninsulators.com/policies/>. The Policy intends to ensure that proper reporting, approval, and disclosure processes are in place for all transactions between the Company and Related Parties.

DIRECTORS

Appointment/Re-appointment of Directors

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Shreyans Ranka, Whole-time director of your Company, is liable to retire by rotation at the ensuing AGM and, being eligible, has offered himself for re-appointment. His appointment is placed for approval of the members and forms part of the notice of the ensuing Annual General Meeting. The information about the Director seeking his reappointment as per Secretarial Standards-2 has been given in the notice convening the ensuing 38th Annual General Meeting.

The Board of Directors

Shri Sachin Ranka (DIN: 00335534), Chairman & Managing Director of the Company whose term will expires on 31st March, 2022 has been reappointed for a period of five years from 01.04.2022 to 31.03.2027.

Shri Vikas Sharma (DIN: 00761202) has been appointed as Executive Director of the Company w.e.f. 1st June, 2023 for a period of three years subject to the approval of the members of the company through postal ballot which is currently in process.

Shri Shreyans Ranka (DIN: 06470710), Whole Time Director of the Company whose term expires on 31st March, 2024 has been reappointed by the Board of Directors vide meeting dated 10th August 2023 for a period of five years from 01.04.2024 to 31.03.2029, subject to the approval of the Members at the ensuing 38th Annual General Meeting.

Cessation of Directors

Shri P.K. Gokhroo (DIN: 06810797) resigned from the post of Executive Director w.e.f. 31st May, 2023. Shri Ravindra Raniwala (DIN: 00506419) is to vacate the office of Independent director of the company on expiring the 2nd term upon completion of the ensuing 38th Annual General Meeting of the company. Shri S.K Sharma (DIN: 01378040) resigned from the post of Independent Director of the company w.e.f. 27th July 2023. The Board places their deep appreciation for the valuable contribution and services rendered by them during their tenure on the Board.

KEY MANAGERIAL PERSONNEL

During the year under review, Shri Utkarsh Gaur, Company Secretary & Compliance Officer of the Company has resigned w.e.f. 30th April, 2022 and Shri Mayank Chadha, was appointed as Company Secretary & Compliance Officer from 04th October, 2022 who has also resigned w.e.f. 17th May, 2023.

Shri Kashish Papreja has been appointed as Company Secretary and Compliance officer of the company w.e.f. 10th August, 2023.

In terms of the provisions of Sections 2(51) and 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shri Sachin Ranka, Chairman & Managing Director, Shri Shreyans Ranka, Whole-Time Director, Shri Pradeep Kumar Gokhroo, Executive Director, Shri Dinesh Singh Singhvi, Chief Financial Officer are the Key Managerial Personnel (KMP) of the Company. The appointment and remuneration of Directors and KMPs are as per the policy of the Company.

Shri P.K. Gokhroo resigned from the post of Executive Director w.e.f. 31st May, 2023 and Shri Vikas Sharma has been appointed as Executive Director of the Company w.e.f. 1st June 2023, for a period of three years.

DECLARATION OF INDEPENDENCE

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

The Ministry of Corporate Affairs ('MCA') vide Notification No. G.S.R. 804(E) dated October 22, 2019 and effective from December 01, 2019 has introduced the provision relating to inclusion of names of Independent Directors in the Data Bank maintained by Indian Institute of Corporate Affairs ('IICA'). All Independent Directors of your Company are registered with IICA.

In the opinion of the Board, independent directors possess the requisite integrity, experience, expertise, proficiency and qualifications.

ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Your Company believes that the process of performance evaluation at the Board level is pivotal to its Board engagement and effectiveness. Pursuant to the provisions of the Act and the Listing Regulations, the Board of Directors has carried out an annual evaluation of its own performance, its Committees, Independent Directors, Non-executive Directors, Executive Director and the Chairman of the Board.

The Nomination and Remuneration Committee ('NRC') of the Board has laid down the manner in which formal annual evaluation of the performance of the Board, its Committees and Individual Directors has to be made. It includes circulation of evaluation forms separately for evaluation of the Board and its Committees, Independent Directors/Non-executive Directors/ Executive Director and the Chairman of your Company.

The performance of Non-independent Directors, the Board, as a whole, and the Committees of the Board has been evaluated by Independent Directors in a separate meeting. At the same meeting, the Independent Directors also evaluated the performance of the Chairman of your Company, after taking into account the views of Executive Director and Non-executive Directors. Evaluation as done by the Independent Directors was submitted to the NRC and subsequently to the Board. The performance evaluation of the Independent Directors was carried out by the entire Board. Thereafter, the Board at its meeting discussed the performance of the Board, as a whole, its Committees and Individual Directors. The Board expressed satisfaction on the overall functioning of the Board and its Committees. The Board was also satisfied with the contribution of the Directors, in their respective capacities, which reflected the overall engagement of the Individual Directors.

MEETING OF THE BOARD

During the year 2022-23, Six Board Meetings were held, on 30th May, 2022, 09th August, 2022, 04th October, 2022, 10th November, 2022, 28th January, 2023 and 10th February, 2023. Further details on the Board Meetings are provided in the Corporate Governance Report, forming part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

The details of the Committees along with their composition, number of meetings held, and attendance at the meetings are provided in the Corporate Governance Report.

INDEPENDENT DIRECTORS' MEETING

The Independent Directors met on 10th February 2023, without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors, the Committees and the Board as a whole along with the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external agencies including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the financial year 2022-23.

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) read with section 134 (5) of the Companies Act, 2013:

- (a) in the preparation of the Annual Accounts for the year ended 31st March, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s R. B. Verma & Associates, Chartered Accountants, Jaipur (ICAI Firm Registration No. 012650C) were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting (AGM) of the Members held on September 30, 2022 to hold office from the conclusion of the 37thAGM of the Company till the conclusion of the 42ndAGM at a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.

The observations made in the Auditors' Report read together with relevant notes thereon are self-explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

The Statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013 in the year under review.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Anshika and Associates, Company Secretaries, Jaipur to conduct the secretarial audit for the financial year

2022-23. The Secretarial Audit Report, issued by M/s. Anshika & Associates, Practicing Company Secretary for the financial year 2022-23, forms part of this Report, and is set out in **Annexure-D** to this Report. The observations in Secretarial Audit Report are self-explanatory and hence do not call for any further comments under Section 134 of the Companies Act, 2013. The company has devised a system to adhere to future compliance in a timely and proper manner.

Cost Auditors

In terms of Section 148 of the Act, the Company is required to maintain cost records and have the audit of its cost records conducted by a Cost Accountant. Cost records are prepared and maintained by the Company as required under Section 148(1) of the Act.

Pursuant to the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board at its meeting held on 29th May, 2023, has appointed M/s Rajesh & Company, Cost Accountants, Jaipur (Firm Registration No. 000031), as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2023-24. As required under the Companies Act, 2013 a resolution seeking Members approval for ratification of remuneration payable to the Cost Auditors forms part of the Notice convening the Annual General Meeting.

The Cost Audit Report for the financial year 2022-23 does not contain any qualifications, reservations, adverse remarks, or disclaimers. The said report was filed with the Central Government within the prescribed time.

Internal Auditors

In accordance with the provisions of Section 138 of the Act, the Company has appointed M/s S. Garg & Co., Chartered Accountants, as an Internal Auditor of the Company. Internal Audit Report, their significant findings and follow-up actions taken by the management are reviewed by the Audit Committee on a quarterly basis.

REMUNERATION AND NOMINATION POLICY

The Board of Directors have framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment of Key Managerial Personnel/Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates. The above policy has been posted on the website of the Company at <https://www.moderninsulators.com/policies/>.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has established a mechanism which is in compliance of the provisions of Section 177 of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and SEBI (LODR), Regulations, 2015 for directors and employees to report instances and concerns about unethical behaviour, actual or suspected fraud, or violation of your Company's Code of Conduct. It also provides adequate safeguards against the victimization of employees, who avail the mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases. During the year, no person was denied access to the Audit Committee.

The details of the Vigil Mechanism are also provided in the Corporate Governance Report, which forms an integral part of this Annual Report and the Vigil Mechanism / Whistle-Blower Policy is available on the website of your Company at <https://www.moderninsulators.com/policies/>.

RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive

and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee. The Company endeavors to continually sharpen its risk management systems and processes in line with a rapidly changing business environment. During the year under review, there were no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis Report which forms part of this Annual Report.

The Company has framed and implemented a Risk Management Policy to identify the various business risks. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The risk management policy defines the risk management approach across the enterprise at various levels including documentation and reporting. The Risk Management Policy has been uploaded on the website of the Company at <https://www.moderninsulators.com/policies/>.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal Financial Control and Risk Management are integral to the Company's strategy and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with the size, scale, and complexities of its operations. The internal and operational audit is entrusted to M/s S. Garg & Co., Chartered Accountants, a firm of Chartered Accountants. The main thrust of an internal audit is to test and review controls, and appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism. Business risks and mitigation plans are reviewed and the internal audit processes include evaluation of all critical and high risk areas.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. The Audit Committee suggests improvements and utilizes the reports generated from a Management Information System integral to the control mechanism. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of the provisions of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility (CSR) Committee, which is chaired by Shri Sachin Ranka. The Committee has formulated and recommended to the Board a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board, and the same is available on the Company's website <https://www.moderninsulators.com/policies/>.

The Company is a caring corporate citizen and lays significant emphasis on the development of the host communities around which it operates. The Company, with this intent, has identified several projects relating to Social Empowerment and Welfare, Environment Sustainability, Health Care and Education during the year, and initiated various activities around its plant location/other places.

During the year, the Company has spent Rs. 50.23Lakh towards obligatory CSR expenditure of the Company which was more than two percent of average net profit of the Company as per Section 135(5) of Companies Act, 2013. The excess amount spent will be available for set off in succeeding financial years. The Annual Report on CSR activities is given

in **Annexure-E** to this Report.

Further, the Executive Director of the Company has certified that CSR spends of the Company for the FY 2022-23 has been utilized for the purpose and in the manner approved by the Board.

ENVIRONMENT, HEALTH AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. All women employees either permanent, temporary or contractual are covered under the above policy. The said policy has been uploaded on the website of the Company for information of all employees at <https://www.moderninsulators.com/policies/>. An Internal Complaint Committee (ICC) has been set up in compliance with the said Act. During the year under review, company has not received any complaints. The Company is committed to providing a safe and conducive work environment to all its employees and associates.

PARTICULAR OF EMPLOYEES

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as **Annexure-F**. In accordance with the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees drawing remuneration in excess of the limits, set out in the aforesaid rules, forms part of this Report.

In line with the provisions of Section 136(1) of the Act, the Report and Accounts, as set out therein, are being sent to all the Members of your Company, excluding the aforesaid information about the employees. Any Member, who is interested in obtaining these particulars about employees, may write to the Company Secretary at compliance@moderninsulators.com. The aforesaid addendum is also available for inspection by the members at the Registered Office of the Company from 21 days before the AGM till the date of the ensuing AGM, during business hours on working days.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. Your company ensures that employees are aligned with the organizational culture and values whilst never losing sight of our business objectives. Technical and safety training programmes are given periodically to workers. Objective appraisal systems based on key result areas (KRAs) are in place for senior management staff. The Human Resources function works as a strategic partner to the business. The technical and quality demands of the industry combined with our own vision to expand significantly over the next few years have ensured that we build an agile, engaged, and energized work force.

The Company is committed to nurturing, enhancing and retaining its top talent through superior learning and organizational development. This is a part of our Corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo, as stipulated under Section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014, is given in **Annexure-G** to this Report.

MATERIAL CHANGES AND COMMITMENTS EFFECTING THE FINANCIAL POSITION OF THE COMPANY

Except as disclosed elsewhere in this Report, no material changes and commitments, which could affect the Company's financial position, have occurred between the end of the financial year of the Company and the date of this Report.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE FINANCIAL YEAR

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2022-2023.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF DURING THE FINANCIAL YEAR

There is no such instance, hence not applicable.

INSURANCE

Your Company has taken appropriate insurance for all assets against foreseeable perils.

SECRETARIAL STANDARDS

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

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of shares (including sweat equity shares) to employees of the Company under any Scheme;
- No significant or material orders were passed by the Regulators /Courts/ Tribunals which impact the going concern status and the Company's operations in the future.

APPRECIATION

Your Directors express their deep sense of gratitude to the banks, stakeholders, business associates, Central and State Governments and all regulatory bodies for their co-operation and support and look forward to their continued support in the future.

We very warmly thank all of our employees for their contribution to your Company's performance. We applaud them for their superior levels of competence, dedication and commitment to your Company.

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

Place : Abu Road
 Date : 10th August, 2023

Sachin Ranka
 Chairman & Managing Director
 DIN: 00335534

Annexure A to Boards' Report

MANAGEMENT DISCUSSION AND ANALYSIS

Economic and Industry Overview

The objective of this report is to convey the Management's perspective on the external environment as well as strategy, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities, and internal control systems and their adequacy in the Company during FY 2022-23. This should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in this Integrated Report and Annual Accounts 2022-23. The Company's financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time.

Global Economic Outlook

The global economy is gradually recovering from the impact of pandemic and at the same time facing new challenges emerging from Russia's invasion of Ukraine. The continuing Russia-Ukraine war along with central banks hiking rates to tame inflation continues to weigh on economic activity. Despite monetary tightening, inflation is persistent in many key economies and it is anticipated that global inflation will fall from 8.7% last year to 7% this year and settle at around 5% in the year 2024.

Indian Economy

GDP growth rate in 2022-23 is expected to be 5.9%, lower than the 2021-22 growth of 6.8% due to subdued external demand and tightening monetary policy. However, India will remain the fastest-growing major economy. Brent oil prices are expected to remain range bound in 2023-24 given the continuing war in Ukraine and sanctions imposed in response by the USA and European Union. India meets nearly 80% of its oil needs through imports. High oil prices will also have a trickledown effect on the prices paid by consumers for goods and services. Persistent inflation resulted in RBI to increase the repo rate by 250 basis points throughout FY 2022-23.

Capital investment of close to 3.3% of GDP is expected to crowd-in private investment, strengthen job creation and demand, and raise India's overall growth potential. Focus is expected in the energy sector, with significant capital investments towards energy transition and green hydrogen mission. The gross FDI inflows fell by 16% in 2022-23 compared to 2021-22. On the other hand, net FDI inflows fell by 27% in 2022-23. Foreign portfolio investment (FPI) in India fell to Rs 40,936 crore in 2022-23, a sharp decline from a healthy Rs 2,67,100 crore inflows recorded in 2020-21. In the last decade or so, India has become one of the attractive destinations for Foreign Direct Investment (FDI). India's foreign exchange reserves were placed at \$ 578.4 billion as on March 31, 2023. India now stands at 10th rank in terms of business environment for the period 2023-27. The country ranked fifth among the world's top leading stock markets with a market capitalisation of \$3.31 trillion as of March 2023.

However, retail inflation in March 2023 at 4.7 per cent the lowest since October of 2021. At Rs 17.33 lakh crore, the fiscal deficit for 2022-23 amounts to 6.4 per cent of the GDP, data released by the Controller General of Accounts (CGA), on account of a higher government expenditure during the year under review.

Indian economic reforms and Budget 2023- 24 provisions

The Union Budget for FY 2023-24 aims to further strengthen India's economic status. In the **75th Year of India's Independence**, the World has recognized the Indian Economy as a '**bright star**' with its Economic Growth estimated at 7 per cent, which is the highest among all major economies. The government is emphasizing the role of PM Gati Shakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition, Climate Action, and Financing of Investments.

To ramp the virtuous cycle of Investment and job creation the budget took lead again by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to whopping Rs. 10 lakh crore over Rs. 7.28 lakh crore in RE 2022-23. In FY 2023-24, Ministry of Defence (MoD) has been allocated a total Budget of Rs 5.94 lakh crore, which is 13.18 per cent of the total budget (Rs 45.03 lakh crore). A boost was provided to India's electric vehicle policy 'Scheme for Faster Adoption and Manufacturing of Hybrid and Electric Vehicle in India'. MoRTH, said '10,000 crore is planned to be raised through Infrastructure Investment Trusts (InvITs) mode in FY 2023-24. The Ministry of Road Transport and Highways (MoRTH) has put plans in place to maintain the pace of highway development and construct 12,500 km of highways in the current financial year, Agriculture and rural startups will receive funds from NABARD. the government has increased the institutional credit allocation for the agricultural sector to Rs 20 lakh crore in Union Budget 2023-24. PLI Scheme for Food Processing will have positive impact on income of Indian farmers and MSMEs. The PLI scheme - 'Modified Programme for Semiconductors and Display Fab Ecosystem' - was announced in December 2021 with a total outlay of ' 76,000 crore.

Global power sector overview

Renewables continued to remain the centre stage of climate commitments across the globe. This segment received maximum investment of \$ 495 billion (up 17% year over previous year) out of total pie of \$ 1.11 trillion among all the low carbon energy investments made in 2022 and continued to grow despite the persistence of geopolitical issues. By the end of 2022, renewables generation capacity reached 3,372 GW, grown by 10% from the previous year. Renewable power growth for the next five years is expected to be driven by Europe, China, the United States and India, which are all implementing policies and introducing regulatory and market reforms more quickly than previously planned to combat the energy crisis. As per IEA, renewables are set to account for over 90% of global electricity capacity expansion till 2027.

Due to high gas prices and supply constraints, coal is replacing natural gas for power generation in markets with spare coal plant capacity, particularly in European countries seeking to end their reliance on Russian gas imports. Gas power is expected to fall by 2.6% as declines in Europe and South America outweigh growth in North America and the Middle East.

Indian power sector overview

In the year 2022-23, when countries across the globe were struggling to keep up their economic growth trajectory amidst persistent inflation and rising interest rates, India's economy continued to grow, posting the strongest growth amongst developing nations. India came across as a bright spot posting a GDP growth of 6.8%.

India's installed generation capacity stands at 416 GW as on March 31, 2023, with capacity addition of close to 17 GW in FY23. The capacity additions in FY23 happened, majorly in the renewables segment, led by solar. Renewables accounted for more than 90% share of the capacity addition in FY23, continuing a similar trend from the previous year.

Over the past few decades, the country has seen a remarkable evolution. Today, almost every citizen has access to grid electricity, power deficiency has reduced and renewable energy capacity has reached a fourth of capacity. To meet the increasing demand for electricity in the country, a major addition to the installed generating capacity is mandated. With a generation capacity of 395.07 GW, India is the third-largest producer and the third-largest consumer of electricity in the world. Although power generation has grown more than 100-fold since independence, growth in demand has been even higher due to accelerating economic activity. Power consumption was estimated at 1894.7 TWh in 2022. Moreover, the country ranked sixth in the list of countries to make significant investments in clean energy at US\$ 90 billion. India was the only country among the G20 nations on track to achieve its targets under the Paris Agreement. The country achieved success

in its newer energy development initiatives.

Business Performance Review

Insulators Division

During the year under review, the division has registered a turnover of ₹ 389.57 crores as against ₹ 385.45 crores and profit before interest & depreciation of ₹ 41.83 crores as against ₹ 37.96 crores of previous year. In spite of shrink in domestic demand company has achieved higher turnover due to increase in exports. Also inspite of steep rise in input costs company has been able to improve profitability by taking various initiatives to reduce cost and improve process/recovery etc.

Terry Towels Division

The turnover of this division has been ₹ 41.39 crores as against ₹ 50.77 crores and Loss before interest & depreciation have been ₹ 2.96 crores as against Loss of ₹ 3.49 crores of previous year. Steep rise in cotton prices has led to loss during the year.

Exports

The company is the largest exporters of H.T. Porcelain Insulators from India. The Company has achieved export turnover of ₹ 176.39 crores during the year as compared to ₹ 151.35 crores in previous year showing as impressive growth of about 16%. The company has managed their export business well by continuous communication with their all valued overseas customers and kept supply chains flowing in spite of the geo-political tensions in various International regions. The company is also exploring insulator markets for newer application like RTV coating, developing big diameter & high strength Hollow Insulators, special insulators for reactor applications etc. This would help the company to enhance its ability to cater the diverse needs of global customers and strengthen its presence in all corners of global market.

The company is also continuously focusing on economizing the manufacturing by way of R&D activities, better process control and getting optimum utilization of its productive resources, so that products of the insulator division remain competitive in terms of quality and price in the international market. Company is regularly supplying to all the major multinational OEMs for their worldwide requirements of quality Porcelain Insulators. Post COVID pandemic, the company established innovative ways to communicate with its International customers. This includes weekly video conferences, expansion of agent network worldwide to increase customer penetrations and opening avenues for new customers. Besides, the company increased international travel to meet customers and also inviting customers to visit & audit its manufacturing facility.

With the growing inconvenience of Europe customers to source from China, the company seized this opportunity to increase business in Europe. Further the company is also working to gain approval from hitherto unserved countries like Saudi Arabia, Kuwait & Oman. Concerted efforts are also on to add new customers in developing countries like Bangladesh, Sri Lanka, Nepal, Peru, Nigeria, Ethiopia & other South East Asian Countries.

Globally insulator industry is going through a consolidation phase and many

of the competitors are going through M&A activities. This is helping the company to strengthen its position in international markets.

ANALYSIS AND REVIEW

The company continues to be a leader in the manufacture of Extra High Voltage Insulators in the country. Despite stiff competition, buyers show interest in company's products for its quality & timely delivery. The company has a well-equipped R & D laboratory, which takes care of the stringent quality requirements of customers and ensures quality and reliability in each and every product manufactured so that companies product remain competition in international market. In-house R&D activities have a thrust on qualitative development to replace expensive input raw material & to bring consistency in quality of the product under manufacture.

The company has a fully equipped SGI and Aluminium foundry to cater demand from various segments apart from fulfilling company's major captive requirement of SGI and aluminium castings in required time frame.

Opportunities & Challenges

Insulator demand is expected to improve in medium term with Central Electrical Authority (CEA) targeting to upgrade the existing transmission lines and adding new substations. Railway electrification in the country is in full swing which will further increase demand of insulators in the coming months. Indian railways are also laying additional lines to cater to high speed trains along with existing OHE line. This has increased insulator demand further. Also we are putting all our efforts to promote Long Rod Insulators to all potential SEBs & private TSPs.

In Exports, increased demand of insulators seen in various markets. Opportunities are seen in Bangladesh as they are going for the increase in transmission capacity. In Gulf region, newer infrastructure projects in Renewable Energy & hydrogen production giving opportunities for insulators supply. In European Union, ongoing revamp projects and increase in gas prices making customers to look at suppliers from Asian countries. USA has recently announced infrastructure bill to augment their transmission and distribution lines.

RISKS & CONCERNS

The broader trends in the economy are expected to have a direct impact on your Company's growth prospects as well. Inflation is expected to remain elevated for the foreseeable future, driven by war-induced commodity price increases and broadening price pressures. In addition, increase in interest rates by Central Banks are also expected to lower growth and exert pressure on economies particularly those in emerging markets. In these circumstances, the ability to successfully navigate cost pressures would have a significant bearing on the overall performance of your Company.

OUTLOOK

The overall domestic insulator demand was sluggish in last few years but is expected to rebound over next few years as stalled projects are moving to the execution stage now. Capex in power sector as announced in union budget may drive demand for the insulator industry in the power generation, transmission, and distribution sectors.

Annexure B to Boards' Report

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2023, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Good Corporate Governance is the adoption of best business practices, which ensure that the Company operates within the regulatory framework. The adoption of such corporate practices ensures accountability, ethical behavior, transparency and fairness to all stakeholders. The Company believes in practicing good Corporate Governance and endeavors to improve on these aspects on an ongoing basis. The philosophy on corporate governance is an important tool for shareholder protection and maximization of their long-term values.

Your Company is in compliance with the requirements stipulated under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, with the Stock Exchanges ("Listing Regulations") with regards to corporate governance.

BOARD OF DIRECTORS

Composition of Board of Directors

The Board, being the trustee of the Company, is responsible for the establishment of cultural, ethical, sustainable and accountable growth of the Company, is constituted with a high level of integrated, knowledgeable and committed professionals. The Board is at the helm of the Company's Corporate Governance practice. It provides strategic guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations.

As on March 31, 2023, the Company's Board consists of seven directors. The Board comprises of Two Executive Promoter Director, one Executive Director, and Four Independent Directors including one Woman Director. The composition of the Board is in conformity with the requirements of the Companies Act, 2013 and the Listing Regulations. The Directors are professionals and have expertise in their respective functional areas.

The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Sr. No.	Name of Directors	Expertise in Specific Functional Areas
1.	Shri Sachin Ranka	Industrialist, Business Strategy, Corporate Management and Leadership
2.	Shri Shreyans Ranka	Business Strategy, Sales & Marketing and Business Management
3.	Shri P.K. Gokhroo	Finance, Corporate Planning and Strategy, Sales & Marketing
4.	Shri R. Raniwala	Finance, Capital Market and Wealth Management, Board service and governance
5.	Shri S. K. Sharma	Board service and governance
6.	Shri Rahul Singhvi	Capital Markets, Wealth Management, Fund raising
7.	Smt. Meenu Sacheti	Industrialist, Finance, Board service and governance

The Composition of the Board and directorship held, as on 31st March, 2023 are as follows:

Name of Directors	Executive/ Non-Executive/ Independent	No. of Equity Shares held	Directorships in other Public Limited Companies	Membership in Committees of other Companies		List of Directorship held in other listed Companies and Category of Directorship
				Chairman	Member	
Shri Sachin Ranka	Promoter/ Chairman & Managing Director	500	1	–	–	Modern Denim Limited (Chairman & Managing Director)
Shri Shreyans Ranka	Promoter/ Executive Director	500	–	–	–	–
Shri P.K. Gokhroo	Executive Director	–	–	–	–	–
Shri R. Raniwala	Non-Executive Independent Director	–	–	–	–	–
Shri S.K. Sharma	Non-Executive Independent Director	–	1	2	–	Modern Denim Limited (Independent Director)
Shri Rahul Singhvi	Non-Executive Independent Director	–	1	–	2	Modern Denim Limited (Independent Director)
Smt. Meenu Sacheti	Non-Executive Independent Director	–	1	–	–	Modern Denim Limited (Independent Director)

1. Shri Sachin Ranka and Shri Shreyans Ranka are related to each other. None of the other Directors are related inter-se.
2. Shri P.K. Gokhroo has resigned from the post of Executive Director w.e.f 31st May 2023 and Shri S.K Sharma has resigned from the post of Independent Director w.e.f 27th July, 2023.
3. Shri Vikas Sharma has been appointed as an Executive Director w.e.f. 1st June 2023.
4. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
5. Membership in Committees includes only Audit Committee and Stakeholders' Relationship Committee

Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. They have also given a declaration under Rule 6(1) and (2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, that their names are registered in the data bank as maintained by the Indian Institute of Corporate Affairs (IICA). In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors, if applicable, are required to undertake online proficiency self-assessment test conducted by the IICA within a period of two (2) year from the date of inclusion of their names in the data bank or such time as amended by the Central Government.

Board Meetings and Annual General Meeting (AGM)

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

Minimum four Board meetings are held every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs, if any, of the Company. During the year 2022-23, Six Board Meetings were held, on 30th May, 2022, 09th August, 2022, 04th October, 2022, 10th November, 2022, 28th January, 2023 and 10th February, 2023. The gap intervening between two meetings was within the time prescribed under the Act and SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.

Attendance of Directors at the Board Meetings and last Annual General Meeting (AGM)

Name of Directors	Attendance of AGM held on 30th Sept., 2022	Date of Board Meeting					
		30th May, 2022	09h August, 2022	04th Oct, 2022	10th Nov, 2022	28th Jan, 2023	10th Feb, 2023
Shri Sachin Ranka	–	√	√	√	√	√	√
Shri Shreyans Ranka	–	√	√	√	√	√	√
Shri P.K. Gokhroo	√	√	√	√	√	√	√
Smt. Meenu Sacheti	–	Leave of Absence	Leave of Absence	√	Leave of Absence	Leave of Absence	√
Shri R. Raniwala	√	√	√	√	√	Leave of Absence	√
Shri Rahul Singhvi	–	√	√	√	√	Leave of Absence	√
Shri S.K. Sharma	–	√	√	Leave of Absence	√	√	√

Meetings of Independent Directors

A separate meeting of Independent Directors of the Company was held on 10th February, 2023, without the presence of Non-Independent Directors and members of the management, to discuss the matters as required under Schedule IV of the Act and the Listing Regulations. The meeting was attended by all the Independent Directors.

Code of Conduct

The Company has adopted Code of Business Conduct & Ethics which is applicable to the Board of Directors and Senior Management Personnel of the Company. The Board of Directors and the members of Senior Management Team of the Company are required to affirm Compliance of this Code. A declaration signed by the Chairman and Managing Director of the Company to this effect is placed at the end of this report. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website www.moderninsulators.com.

Familiarization programme for Independent Director

Your Company conducts introductory familiarization programme, inter alia covering the nature of the industry in which the Company operates, business model of the Company, etc., when a new Independent Director joins the Board of the Company. The Chairman and Managing Director also has a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board/Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-

alia covering the Company's and its subsidiaries/associates businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

The details of the familiarization program for Directors have been disclosed on the Company's website, www.moderninsulators.com.

Performance evaluation

A formal Evaluation Framework for evaluation of the Board's performance, performance of its Committees and individual Directors of the Company, including the Chairman of the Board, in terms of the requirement of the Act and the Listing Regulations, is in place. In terms of the Evaluation Framework, the Board has carried out the annual performance evaluation of its own performance, the directors individually and the working of its Committees. Criteria for evaluation inter alia include providing strategic perspective, Chairmanship of the Board and its Committees, attendance and preparedness for the meetings, contribution at the meetings and role of the Committees.

Insider Trading Code

The Company has adopted an Policy for prohibition of Insider Trading for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations. This Policy is displayed on the Company's website viz. www.moderninsulators.com

COMMITTEES OF THE BOARD

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

The Board has four Committees namely Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee, and Stakeholders Relationship Committee.

Audit Committee

Your Company has an independent Audit Committee. The Committee is governed in line with the regulatory requirements mandated by Companies Act, 2013 and Regulation 18 of the SEBI (LODR), Regulations, 2015. The Audit Committee acts as a link between the statutory and internal auditors, and the Board of Directors. The Audit Committee is provided with the necessary assistance and information so as to enable it to carry out its function effectively.

As on 31st March, 2023, the Audit Committee comprises of two Independent Directors and one Executive Director. Shri R. Raniwala, Independent Director is the Chairman of the Audit Committee. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The composition of the Audit Committee meets the requirements as per the Section 177 of the Companies Act, 2013 and Regulation 18(1) of the SEBI (LODR) Regulations.

During the year under review, 4 Audit Committee Meetings were held, on 30th May, 2022, 09th August, 2022, 10th November, 2022 and 10th February, 2023.

The composition of the Audit Committee and the details of the meetings attended by the Members are given below:

Name of the Member	Position	Category	Number of Meetings	
			Held	Attended
Shri R. Raniwala	Chairman	Independent	4	4
Shri S.K. Sharma	Member	Independent	4	4
Shri P.K. Gokhroo	Member	Executive	4	4

1. The Chairman of the Audit Committee was present at the last AGM of the Company held on 30th September, 2022.
2. Shri P.K. Gokhroo has resigned from the post of Member of Audit Committee w.e.f. 31st May 2023 and Shri S.K Sharma has resigned from the post Member of Audit Committee w.e.f 27th July, 2023.

Brief description of terms of reference

1. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. To recommendation of appointment, remuneration and terms of appointment of the auditors.
3. To approve payment to Statutory Auditors for any other services rendered by them.
4. To review with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act,2013.

- b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. To review with the management, the quarterly financial statements before submission to the board for approval.
 6. To review and monitor the auditor's independence, performance and effectiveness of audit process.
 7. To approve or any subsequent modification of transactions of the Company with related parties.
 8. To scrutinize inter-corporate loans and investments.
 9. To evaluate internal financial controls and risk management systems.
 10. To review with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
 11. To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 12. To discuss with internal auditors of any significant findings and follow up there on.
 13. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 14. To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 16. To review the Whistle Blower mechanism.
 17. To approve appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
 18. Authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act, 2013 or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.
 19. The Auditors of a Company and the Key Managerial Personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report.
 20. To review the utilization of loans and/ or advances/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans /advances / investments existing as on the date of coming into force of this provision.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by the management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the chief internal auditor; and
6. Statement of deviations:
 - a. Quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Listing Regulations;
 - b. Annual statement of funds utilized for the purposes other than those stated in the offer document/prospectus/notice in terms of Listing Regulations.

Nomination and Remuneration Committee

The Committee's constitution and terms of reference are in compliance with provisions of the Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015.

The purpose of the committee is to screen and review individuals qualified to serve as executive director, non-executive directors and key managerial personnel and independent directors, consistent with the criteria approved by the board and to recommend for approval by the board, nominees for election at the AGM.

As on 31st March, 2023 the Nomination and Remuneration Committee (NRC) comprises of 3 Non-Executive Independent Directors. During the year under review, 2 NRC Meeting was held, on 30th May, 2022 and 04th October, 2022.

The composition of the NRC and the details of the meetings attended by the Members are given below:

Name of the Member	Position	Category	Number of Meetings	
			Held	Attended
Shri R. Raniwala	Chairman	Independent	2	2
Shri S.K. Sharma	Member	Independent	2	2
Shri Rahul Singhvi	Member	Independent	2	2

1. The Chairman of the Nomination & Remuneration committee was present at the last AGM of the Company held on 30th September, 2022.
2. Shri S.K Sharma has resigned from the post of member of Nomination and Remuneration committee w.e.f 27th July, 2023.

Terms of Reference

The broad terms of reference of the Committee are as follows:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board for their appointment and removal and shall carry out evaluation of every Director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. The Nomination and Remuneration Committee shall, while formulating the policy ensures that:
 - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
4. The Chairperson of the said Committee or, in his absence, any other member of the committee authorized by him in this behalf shall attend the general meetings of the company.
5. To consider and fix the remuneration package of non-executive and executive Directors including pension rights and any compensation payment.
6. All elements of remuneration package of Directors such as benefits, bonus, stock options, pension etc.
7. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made thereunder.

Remuneration Policy

The Company has formulated and adopted Executive Remuneration Policy of Directors, Key Managerial Personnel and other Senior Management of the Company and the same is disclosed in the Annual Report.

Remuneration to Directors

All decisions relating to the remuneration of the Directors were taken by the Board of Directors of the Company in accordance with the Shareholders' approval on recommendation of Nomination and Remuneration Committee, wherever necessary.

Details of remuneration paid to the Directors during the year under review are as under:

(a) Non- Executive Directors

(Rs. in lacs)

Name of the Director	Remuneration	Sitting Fees	No. of Shares held
Shri R. Raniwala – Independent Director	–	0.78	–
Shri S.K. Sharma – Independent Director	–	–	–
Smt. Meenu Sacheti – Independent Director	–	0.17	–
Shri Rahul Singhvi – Independent Director	–	0.32	–

(b) Executive Directors

(Rs. in lacs)

Name of Director and Designation	Salary & Allowances	Performance linked incentive	Total	Period of Contract	No. of Shares held
Shri Sachin Ranka – Chairman & Managing Director	107.15	–	107.15	01/04/2022 to 31/03/2027	500
Shri Shreyans Ranka – Whole-Time Director	36.16	–	36.16	01/04/2021 to 31/03/2024	500
Shri P.K. Gokhroo – Executive Director	76.40	–	76.40	01/08/2020 to 31/07/2023	–

- Remuneration is within limits specified under section 197 of the Act, as recommended by the Nomination and Remuneration committee and approved by Board.
- Shri P.K. Gokhroo resigned from the post of Executive Director w.e.f. 31st May 2023

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual

evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The Company Secretary or Board nominee or the consultant tabulate the Forms. The Tabulated Report is sent to all Board Members for evaluation and if any director disagrees with the self-evaluated results, he/she suitably intimate the Chairman of the Board, else the same is deemed to have been accepted.

The performance evaluation of the Chairman and Managing Director and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Corporate Social Responsibility Committee

Your Company has a CSR Committee of the Board of Directors which assists the Board in discharging its social responsibility by way of formulating, monitoring and implementing the Corporate Social Responsibility Policy (CSR Policy).

Composition and Attendance during the Year

The Composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Committee comprises of 2 Executive Directors and one Non-Executive Independent Director.

During the year under review, 2 CSR Committee meetings were held, on 30th May, 2022 and 10th February, 2023.

The composition of the CSR Committee and the details of the meetings attended by the Members are given below:

Name of the Member	Position	Category	Number of Meetings	
			Held	Attended
Shri Sachin Ranka	Chairman	Executive	2	2
Shri R. Raniwala	Member	Independent	2	2
Shri P.K. Gokhroo	Member	Executive	2	2

- Shri P.K. Gokhroo has resigned from the post of member of CSR committee on 31st May 2023.

Stakeholders' Relationship Committee

The Committee's constitution and terms of reference are in compliance with provisions of the Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015 which are given below:

During the year under review, 4 Stakeholder Relationship Committee Meetings were held, on 30th May 2022, 09th August 2022, 10th November, 2022 and 10th February 2023.

AS on 31st March 2023, the composition of the Committee and the details of the meetings attended by the Members are given below:

Name of the Member	Position	Category	Number of Meetings	
			Held	Attended
Shri R. Raniwala	Chairman	Independent	4	4
Shri S.K. Sharma	Member	Independent	4	4
Shri P.K. Gokhroo	Member	Executive	4	4

- Shri P.K. Gokhroo has resigned from the post of member of Stakeholders' Relationship Committee on 31st May, 2023 and Shri S.K Sharma has resigned from the post of member of Stakeholders' Relationship Committee w.e.f 27th July, 2023.

Terms of reference:

1. The Stakeholders Relationship Committee shall consider and resolve the grievances of all stakeholders and security holders of the Company.
2. The Chairperson of the said Committee or, in his absence, any other member of the Committee authorized by him in this behalf shall attend the general meetings of the Company.
3. To review all Shareholder's grievances like non-receipt of annual reports, non-receipt of dividend etc.
4. To issue of Duplicate Share Certificates & Share Transfer Work.
5. Any other work and policy related and incidental to the objectives of the Committee as per provisions of the Act and rules made there under.
6. To resolve the grievances of the security holders of the listed entity including complaints related to transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
7. To review of measures taken for effective exercise of voting rights by shareholders.
8. To review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
9. To Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

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

Details of Complaints Received and Resolved

Particulars	No. of Complaints
Complaints pending as on 1 st April, 2022	0
Complaints received during the period 1 st April, 2022 to 31 st March, 2023	30
Complaints disposed off during the period 1 st April, 2022 to 31 st March, 2023	30
Complaints outstanding as on 31 st March, 2023	0

Name and Designation of the Compliance Officer

The Company Secretary and Compliance officer of the Company have resigned with effect from 17.05.2023. The Company is making continuous efforts to appoint the Company Secretary and Compliance Officer of the Company.

Currently, Sh. Vikas Sharma, Executive Director of the Company is looking all the compliances of the Company. Further new Company Secretary Sh. Kashish Papreja has been appointed w.e.f 10.08.2023.

GENERAL BODY MEETINGS
Details of Annual General Meetings

Details of the Annual General Meetings (AGM) of the Company held in the last 3 years are as follows:

Financial Year/AGM	Date	Time	Venue	No. of Special Resolution(s) Passed
2019-20 35 th AGM	30 th September, 2020	11.00 A.M.	Modern Insulators Limited Talheti, Village Karoli, Tehsil Abu Road, Dist. Sirohi -307510 (Rajasthan)	3
2020-21 36 th AGM	30 th September, 2021	11.00 A.M.	Modern Insulators Limited Talheti, Village Karoli, Tehsil Abu Road, Dist. Sirohi -307510 (Rajasthan)	2
2021-22 37 th AGM	30 th September, 2022	11.00 A.M.	Modern Insulators Limited Talheti, Village Karoli, Tehsil Abu Road, Dist. Sirohi -307510 (Rajasthan)	1

Postal Ballot & E-voting

During the year under review, the company passed a resolution through postal ballot on May 17, 2022, for reappointment and payment of Remuneration to Shri Sachin Ranka as Chairman & Managing Director of the Company. M/s Jyoti Soni & Associates, Practicing Companies Secretaries are appointed as Scrutinizer of the postal ballot exercise.

Further, after the financial year, the board approved a postal ballot notice on 19th June 2023 for obtaining the approval of members for the appointment of Shri Vikas Sharma as Executive Director of the company for a period of three years. Currently, E-voting is open. M/s Anshika and Associates, Practicing Companies Secretaries are appointed as Scrutinizer of the postal ballot exercise.

None of the businesses proposed to be transacted at the ensuing AGM requires the passing of a special resolution through postal ballot.

MEANS OF COMMUNICATION

- Annual report containing Audited Annual Accounts, Board's Report, Management Discussion & Analysis (MD&A) Report, Auditor's Report and other information are circulated to members and others who are entitled to it.
- The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.
- The approved financial results are forthwith sent to the Stock Exchanges and are published in English newspaper and Hindi newspaper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.
- All important information relating to Company and its performance including the financial results and shareholding pattern are displayed on the Company's website www.moderninsulators.com.
- The Company has not made quarterly presentations to analysts.
- Disclosures pursuant to various provisions of Listing Regulations, as applicable, are communicated to the BSE Limited, and are displayed by them on their website.

DISCLOSURES

- During the year under review, no materially significant Related Party Transactions, that may have a potential conflict with the interest of the Company at large, have been entered into. All contracts/arrangements/ transactions entered into by your Company with its related parties were on an arm's-length basis and in the ordinary course of business. A policy on dealing with related party transactions has been uploaded on the website of the Company, www.moderninsulators.com.
- The Company has submitted Annual Secretarial Compliance Report to BSE and the details of compliance are also given in the Secretarial Audit Report annexed with the Annual Report. During the last three financial years, Stock Exchange has imposed a fine of Rs. 2360 on the company for non-compliance under SEBI (LODR).
- The Company has an adequate risk assessment and minimization system in place including for commodities. The Company does not have

material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

4. The Company has followed Indian Accounting Standards (“Ind AS”) in the preparation of the Financial Statements for accounting periods beginning on or after 01.04.2016, as per the roadmap announced by Ministry of Corporate Affairs Companies. The significant accounting policies which are consistently applied have been set out in the notes to the Financial Statements.
5. The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism and Whistle-blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.
6. A certificate from a practicing company secretary confirming that none of the Directors on the board of the Company were debarred or disqualified from being re-appointed under retirement by rotation and/or continuing as Directors of the Company by the SEBI, Ministry of Corporate Affairs or any other statutory authorities is attached to this report.
7. Details relating to fees paid to the Statutory Auditors are given in Note 31 to the Financial Statements.
8. Details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been disclosed in the Directors’ Report.
9. Management Discussion and Analysis Report is forming part of the Annual Report and is in accordance with the requirements laid out in the Listing Regulations.
10. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
11. Details of the Directors seeking appointment/reappointment have been provided in the Notice of the Annual General Meeting.
12. The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
13. The Independent Directors have confirmed that they meet the criteria of ‘Independence’ as stipulated under the Companies Act, 2013 and the Listing Regulations.
14. The company has disclosed ‘Loans and advances in the nature of loans to firms/companies in which directors are interested in Note 36 to the Standalone Financial Statements.
15. The Company has complied and disclosed all the mandatory corporate governance requirements under Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of Listing Regulations (relating to disclosure on the website of the Company).
16. A Certificate from M/s. Anshika & Associates., Practicing Company Secretary, confirming compliances with the conditions of Corporate Governance as stipulated under the Listing Regulations is attached to this report..’
16. The company has opened a Demat suspense account/ unclaimed suspense account with the Stock Holding Corporation of India. As on 31st March 2023 the company does not have any holding of any unclaimed shares in the Demat suspense account.
17. Disclosure of certain types of agreements binding listed entities. Not applicable
18. Details of material subsidiaries of the listed entity. Not applicable

DISCRETIONARY REQUIREMENT UNDER REGULATION 27 OF LISTING REGULATION

The status of compliance with discretionary recommendations of the Regulation 27 of the Listing Regulations with Stock Exchanges is provided below:

1. **Shareholders’ Rights:** As the quarterly and half yearly financial performance along with significant events were posted on the Company’s website, the same were not being sent to the shareholders.
2. **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

CEO/CFO CERTIFICATION

The Executive Director and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company’s affairs. The said certificate is annexed and forms part of the Annual Report.

GENERAL SHAREHOLDERS’ INFORMATION

1. Annual General Meeting:

Day & Date : Thursday, 28th September, 2023

Time : 11.00 A.M.

Venue : Modern Insulators Limited, Talheti, Village Karoli, Tehsil Abu Road, Dist. Sirohi (Registered Office of the Company)

2. Financial Calendar:

The Company follows the period of 1st April to 31st March, as the Financial Year.

Particulars of Quarter	Tentative dates*
First quarterly results	: On or before 14 th August, 2023
Second quarterly / Half yearly results	: On or before 14 th November, 2023
Third quarterly results	: On or before 14 th February, 2024
Annual results for the year ending on 31 st March, 2024	: On or before 30 th May, 2024

*or such other dates as may be allowed by MCA/SEBI

Annual General Meeting for the year ending on 31st March, 2024: Sept, 2024

3. Dates of Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from 21st September, 2023 to 28th September, 2023 (both days inclusive).

4. Stock Exchanges where Equity Shares are listed and Scrip code:

BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 Scrip Code: 515008	Calcutta Stock Exchange 7, Lyons Range, Dalhousie Kolkata Scrip Code: 023461
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5. Listing Fees to the Stock Exchanges

The Company has paid listing fees upto financial year 2023-2024 to BSE Limited.

6. Registrar & Share Transfer Agent:

Beetal Financial and Computer Services Private Limited
Beetal House, 3rd Floor, 99, Madangir, Behind LSC
New Delhi-110062

7. Share Transfer System

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) are not being processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories.

8. Dematerialization of Shares

The Company has set up requisite facilities for dematerialization of its Equity Shares in accordance with the provisions of Depository Act, 1996 with National Securities Depository Limited and Central Depository Services (India) Limited. The Company has entered into agreements with both of the Depositories. The status as on 31st March, 2023 is as under:

Mode	No. of Shares	% (Percentage)
Physical Form	9691096	20.56
NSDL	34569688	73.33
CDSL	2883116	6.11
Total	47143900	100.00

Process of Dematerialization of Shares

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

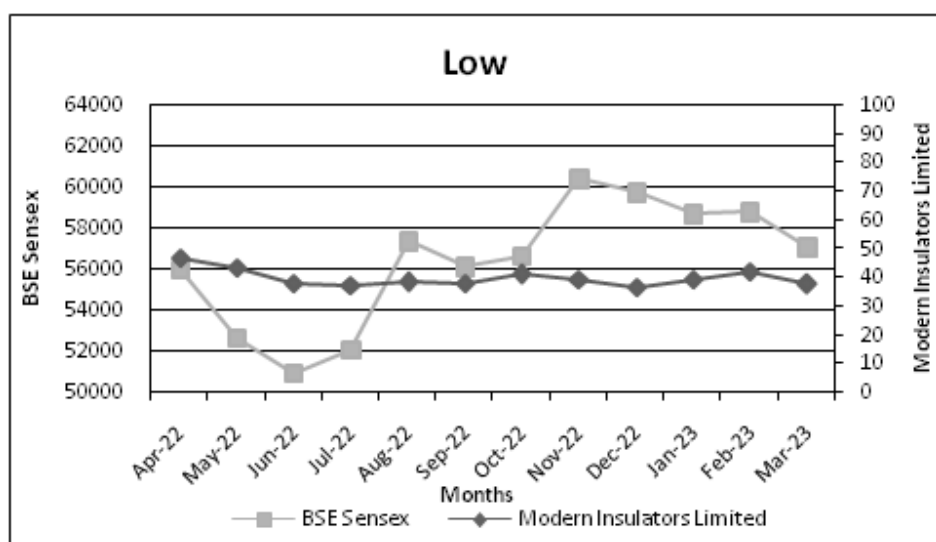
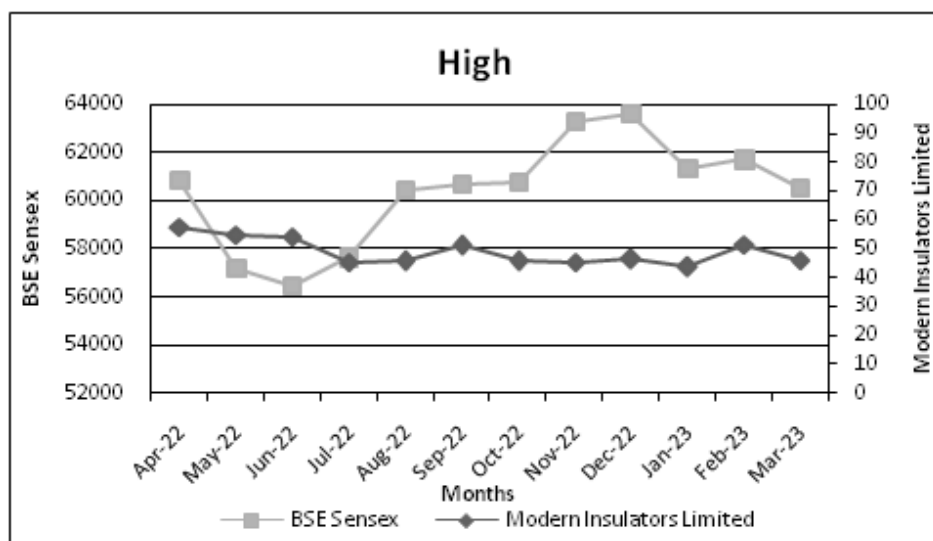
- Demat account should be opened with a Depository Participant (DP).
- Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.
- DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), which is Beetal Financial & Computer Services Private Limited.
- RTA will process the DRF and confirm or reject the request to DP/ depositories.
- Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP.

ISIN No. of the Company: INE219W01012

9. Market Price Data:

Month	BSE Limited			
	High	Low	Close	No. of shares traded
April, 2022	57.45	47.15	52.35	3,34,356
May, 2022	54.50	43.35	48.00	1,06,878
June, 2022	54.00	38.15	39.05	3,73,856
July, 2022	45.00	37.50	43.20	1,50,590
August, 2022	45.50	38.40	39.30	1,67,400
September, 2022	51.00	38.00	43.35	2,33,939
October, 2022	45.50	41.15	42.80	89,855
November, 2022	45.00	39.50	42.50	1,57,564
December, 2022	46.20	36.60	40.75	2,30,098
January, 2023	43.55	39.55	43.55	1,09,091
February, 2023	51.15	42.25	45.00	6,01,624
March, 2023	46.00	37.81	41.62	3,26,690

10. Performance in comparison to broad-based indices i.e. BSE Sensex



11. Distribution of Shareholding as on 31st March, 2023

Sr. No	No. of Equity Shares	Number of Shares	% of Shareholding	No. of Shareholders
1.	1-5000	7797937	16.54	132301
2.	5001-10000	1124183	2.38	1431
3.	10001-20000	972516	2.06	661
4.	20001-30000	558383	1.18	219
5.	30001-40000	310080	0.66	87
6.	40001-50000	315955	0.67	68
7.	50001-100000	879168	1.87	119
8.	100001 & Above	35185678	74.64	134
	Total	47143900	100.00	135020

12. Category of Shareholders as on 31st March, 2023

Category	No. of shares	% Holding
Promoter & Promoter Group	28381877	60.20
Corporate Bodies	1841424	3.91
Mutual Funds	821	-
Insurance Companies	995555	2.11
Banks/Financial Institutions	285282	0.61
FII's	146772	0.31
Individuals including NRI	15488564	32.85
Others (Trusts, Clearing Members)	3605	(0.01)
Total	47143900	100.00

13. Consolidation of Folios and Avoidance of Multiple Mailing

In order to enable the Company to reduce costs and duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names, are requested to consolidate their holdings under one folio. Members may write to the Registrars & Transfer Agents indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

14. Reconciliation of Share Capital Audit

As stipulated by the Securities Exchange Board of India, a qualified Practicing Company Secretary has carried out the reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL, total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form, shares allotted & advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL and CDSL.

15. Plant Locations

The Company's plants are located at the following addresses:

1. Insulators Division : Talheti, Village Karoli, Tehsil Abu Road
Dist. Sirohi - 307510 (Rajasthan)
2. Terry Towels Division : Village: Nidrad, Taluka : Sanand-
382110, Ahmedabad, Gujarat

16. Address for Correspondence

In case of any problem/query, shareholders can contact at registered office of the Company at:

Talheti, Village Karoli,
Tehsil Abu Road, Dist. Sirohi - 307510
Phone: 91-02974-228044
Email: compliance@moderninsulators.com

CODE OF CONDUCT DECLARATION

As provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management for the year ended 31st March, 2023.

Place : Abu Road
Date : 10th August, 2023

Sachin Ranka
Chairman & Managing Director
DIN: 00335534

CEO/CFO CERTIFICATE

The Board of Directors
 Modern Insulators Limited

We the undersigned, in our respective capacities as Executive Director and Chief Financial Officer of Modern Insulators Limited (“the Company”) to the best of our knowledge and belief certify that:

- a. We have reviewed the Financial Statements and the Cash Flow Statement for the year 31st March, 2023, and that to the best of our knowledge and belief, we state that:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company’s affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. We further state that 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 the internal control systems of the Company pertaining to financial reporting of the Company. We have not come across any reportable deficiencies in the design or operation of internal controls.
- d. We have indicated to the Auditors and the Audit Committee that:
 - i. there are no significant changes in the internal control over financial reporting during the year;
 - ii. the significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. there are no instances of significant fraud of which we have become aware.

Place : Abu Road
 Date : 10/08/2023

D.S. Singhvi
 Chief Financial Officer

For Modern Insulators Limited
Vikas Sharma
 Executive Director
 DIN: 00761202

CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS (Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
 The Members of
Modern Insulators Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Modern Insulators Limited having CIN L31300RJ1982PLC002460 and having registered office at Modern Insulators Limited Talheta, Village Karoli, Tehsil Abu Road ABU Road, Sirohi. Rajasthan-307510 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with **Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the

Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

List of Directors of Modern Insulators Limited as on March 31, 2023

S.No.	Name of Director	DIN
1	Mr. Sachin Ranka	00335534
2	Mr. Shreyans Sachin Ranka	06470710
3	Mr. Pradeep Kumar Gokhroo	06810797
4	Mr. Rahul Singhvi	08816920
5	Ms. Meenu Alok Sacheti	02266703
6	Mr. Ravindra Raniwala	00506419
7	Mr. Suresh Kumar Mohanlal Sharma	01378040

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

For ANSHIKA & ASSOCIATES
Practicing Company Secretaries

Anshika Gupta
 Prop.
 FCS No. 7733
 CP No. : 8587

Place : Jaipur
 Date : 10.08.2023

UDIN No. F007733E000774972

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

Modern Insulators Limited

1. We have examined the compliance of the conditions of Corporate Governance by **Modern Insulators Limited** (“the Company”) for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and Para-C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

Management’s Responsibility for compliance with the conditions of SEBI Listing Regulations

2. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

Our Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with the Corporate Governance requirements by the Company.
6. We have conducted our examination in accordance with the Guidance Note on Corporate Governance Certificate and the Guidance Manual on Quality of Audit & Attestation Services issued by the Institute of Company Secretaries of India (“ICSI”).

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations.
7. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

8. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For ANSHIKA & ASSOCIATES
Practicing Company Secretaries**Anshika Gupta**

Prop.

FCS No. 7733

CP No. : 8587

Place : Jaipur

Date : 10.08.2023

UDIN No. F007733E000775027

Annexure C to Boards' Report FORM NO. AOC. 1

[Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014]
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": SUBSIDIARIES

S. No.	Particulars	Description
1.	Name of the Subsidiary	Modern Metal High-Tech Components Private Ltd. (Formerly known as Modern Inviro Private Ltd.)
2.	Reporting period for the subsidiary concerned, if different from the Holding Company's Reporting Period	–
3.	Reporting Currency and Exchange Rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries.	NA
4.	Share Capital	10 Lacs
5.	Reserves & Surplus	(9.95) Lacs
6.	Total Assets	529.09 Lacs
7.	Total Liabilities	529.04 Lacs
8.	Investments	–
9.	Turnover	–
10.	Profit before Taxation	(0.08) Lacs
11.	Provision for Taxation	–
12.	Profit after Taxation	(0.08) Lacs
13.	Proposed Dividend	–
14.	% of Shareholding	100

Note:-

- Above subsidiary is yet to commence operations.
- No subsidiary was liquidated or sold during the year.
- Modern Metal High-Tech Components Private Limited ceased to be a wholly owned subsidiary w.e.f. 19.06.2023.

Part "B": ASSOCIATES AND JOINT VENTURES

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

Sr. No.	Particulars	Description	
1	Name of Associates/Joint Ventures	Shriji Designs-MIL (JV)	SEC MIL (JV)
2.	Latest audited Balance Sheet Date	31.03.2023	31.03.2023
3.	Shares of Associate/Joint Ventures held by the company on the year end	–	–
	Number	NA	NA
	Amount of Investment in Associates/Joint Venture	–	–
	Extend of Holding %	–	–
4.	Description of how there is significant influence	Joint Venture	Joint Venture
5.	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated
6.	Networth attributable to Shareholding as per latest audited Balance Sheet	(162.63) Lacs	–
7.	Profit / Loss for the year		
	i. Considered in Consolidation	(30.13) Lacs	0.03 Lacs
	ii. Not Considered in Consolidation	–	–

Note:-

- SEC MIL (JV) is yet to commence operations.
- No Associate or Joint Venture was liquidated or sold during the year.

For **Modern Insulators Limited**

Place: - Abu Road
 Date: - 10th August, 2023

Sachin Ranka
 Chairman & Managing Director

Annexure-D to Boards' Report
FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
 The Members
 MODERN INSULATORS LIMITED
 Talheti, Village karoli,
 Tehsil Abu Road
 Sirohi 307510 Rajasthan

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Modern Insulators Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during the Audit Period**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the**

Company during the Audit Period);

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**)
- (i) The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof;
- (vi) The laws as are applicable specifically to the Company are as under:
 - (a) Petroleum Act, 1934 and rules made there under;

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

- I. Secretarial Standards issued by The Institute of Company Secretaries of India
- II. The Listing Agreements entered into by the Company with BSE Limited. *Company has received approval for revocation of suspension and the trading of shares of the Company has been started w.e.f. 30.06.2020.*
- III. The Company is also listed on Calcutta Stock Exchange but the trading of the company is suspended.

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

1. There was Delay in submission of Statement of Investor Complaints filed under Regulation 13(3) of SEBI (LODR) Regulations, 2015 for the quarter ended on September 30, 2022.
2. There was Delay in submission of Structured Digital Database (SDD) Compliance Certificate filed under Regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 for the quarter ended on June 30, 2022. However, there is extension to file it on or before 09.08.2022 but, it is not submitted till the extension date.
3. The Company has granted interest free unsecured loan to a company covered under section 189 of the Companies Act 2013. The company has not provided interest on the said loan as prescribed u/s 186(7) of Companies Act, 2013 for which we have been informed that the same is not provided in view of proposed amalgamation under the provisions of Companies Act, 2013.

We further report that

The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of

Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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.

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

For Anshika And Associates
 Company Secretaries,

Anshika Gupta
 Proprietor
 FCS No.: 7733
 CP No.: 8587

Place: Jaipur

Date :- 10.08.2023

UDIN No.F007733E000775038

ANNEXURE 'A'

To,

The Members

Modern Insulators Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. We have relied upon the Report of Statutory Auditors regarding compliance of Companies Act, 2013 and Rules made there under relating to maintenance of Books of Accounts, papers and financial statements of the relevant Financial Year, which give a true and fair view of the state of the affairs of the company.
4. We have relied upon the Report of Statutory Auditors regarding

compliance of Fiscal Laws, like the Income Tax Act, 1961 & Finance Acts, the Customs Act, 1962, the Central Excise Act, 1944 and Service Tax.

5. Where ever required, we have obtained the Management representation about the compliance of Laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Anshika And Associates
 Company Secretaries,

Anshika Gupta
 Proprietor
 FCS No.: 7733
 CP No.: 8587

Place: Jaipur

Date :- 10.08.2023

UDIN No.F007733E000775038

Annexure E to Boards' Report
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy of the Company

The Company had proposed to undertake activities relating to rural development including preventive healthcare, safe drinking water, environment sustainability, medical relief, enhancing vocational skills etc for the Financial Year 2022-23. The CSR policy is available on the Company's website. The web link of the same is http://moderninsulators.com/Investors/invpdf/Policy_CSR.pdf.

2. The Composition of the CSR Committee:

S. No.	Name of Director	Designation	Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Sachin Ranka	Chairman	Managing Director	2	2
2.	Shri R. Raniwala	Member	Independent Director	2	2
3.	Shri P.K. Gokhroo	Member	Executive Director	2	2

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

a. Web-link of Composition of CSR Policy: -

https://www.moderninsulators.com/Investors/invpdf/Policy_CSR.pdf

b. Web-link of Composition of CSR committee: -

<https://www.moderninsulators.com/board-of-directors-important-committee/>

c. Web-link of CSR projects approved by the Board: -

<https://www.moderninsulators.com/wp-content/uploads/2021/07/csr-annual-action-plan-fy-2022-23.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). -

Not Applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set off for the financial year, if any (in Rs.)
1.	2020-21	18000	18000

6.	Average net profit of the Company as per section 135(5):	Rs. 2507.71 Lacs
7.	(a) Two percent of average net profit of the Company as per Section 135(5)	Rs. 5015 Lacs
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
	(c) Amount required to be set off for the financial year, If any	Rs. 0.18 Lacs
	(d) Total CSR obligation for the financial year (7a+7b+7c).	Rs. 49.97 Lacs

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer
5023	NA	NA	NA	NA	NA

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

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

(1) S. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (Rs. in Lacs)	(7) Mode of implementation Direct (Yes/No.)	(8) Mode of implementation Through implementing agency	
				State	District			Name	CSR Registration
1.	Distribution of Oxygen Concentrators	Item No. (i)	Yes	Rajasthan	Udaipur	3.00	No	JASCAP	CSR 00001488
2.	Medical relief including medical camps, general health care activities / Promoting Education etc.	Item No. (i)	No	Rajasthan	Jaipur	3.00	No	Gunjan Foundation	CSR 00006272
3.	Medical relief including medical camps, general health care activities / Promoting Education etc.	Item No. (i)	No	Maharashtra	Mumbai	37.00	No	H.S. Ranka Foundation	CSR 00011875
4.	Medical relief including medical camps, general health care activities / Promoting Education etc.	Item No. (i)	Yes	Rajasthan	Sirohi	7.23	Yes	NA	NA

- (d) Amount spent in Administrative Overheads : Nil
- (e) Amount spent on Impact Assessment, if applicable : Nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 50.23 Lacs
- (g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (Rs. in Lacs.)
(i)	Two percent of average net profit of the company as per section 135(5)	50.15
(ii)	Total amount spent for the Financial Year	50.23
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.08
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.18
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.26

Note:- Excess amount of Rs. 0.18 Lacs pertaining to FY. 2020-21 & Rs. 0.08 Lacs pertaining to FY 2022-23 will be carried forward and can be set-off in three FY respectively.

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the fund	Amount (in Rs.)	Date of transfer	
-	NA	NA	NA	NA	NA	NA	NA

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed / Ongoing
-	NA	NA	NA	NA	NA	NA	NA	NA

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

- a. Date of creation or acquisition of the capital asset(s) : NA
- b. Amount of CSR spent for creation or acquisition of capital asset. : NA
- c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : NA
- d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). : NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : NA

Place : Abu Road
 Date : 10th August, 2023

(Sachin Ranka)
 Chairman & Managing Director &
 Chairman of CSR Committee
 DIN: 00335534

ANNEXURE F TO BOARDS' REPORT

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

(1) Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the financial year:

Median remuneration of all the employees of the Company for the Financial Year 2022-23	212760
Percentage increase in the median remuneration of employees in the Financial Year	5.91%
Number of permanent employees on the rolls of the Company as on 31st March, 2023	1576

Name of Director & KMP	Designation	Ratio of Remuneration to median remuneration of all employees	% increase in remuneration in Financial year 2022-23
Shri Sachin Ranka	Chairman & Managing Director	45.62	NA
Shri Shreyans Ranka	Whole-Time Director	15.40	NA
Shri P.K. Gokhroo	Executive Director	32.99	5.60%
Shri D.S. Singhvi	Chief Financial Officer	13.67	6.99%
Shri Utkarsh Gaur (From 01.04.22 to 30.04.22)	Company Secretary	0.29	NA
Shri Mayank Chadha (From Oct-22 to March-23)	Company Secretary	1.79	NA

Note :

- (1) The ratio of remuneration to the median remuneration is based on the remuneration paid during the period 1st April, 2022 to 31st March, 2023.
- (2) Average percentage increase made in the salaries of employees, other than the managerial personnel in the financial year 2022-23, was 7.4% over the previous financial year, which is by and large in line with the industry benchmark. However, the average salaries of the managerial personnel for the same financial year increased by 2.49%.
- (3) The remuneration is as per the remuneration policy of the company.

Annexure G to Boards' Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNING AND OUTGO ETC:

Information on Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy:

S. No.	Particulars	Remarks
(i)	The steps taken or impact on conservation of energy	Having realized the need for being energy efficient in all of our industrial processes, we are constantly focused on monitoring to conserve energy through improved operational techniques. Some of the measures taken by the company in this direction are as under:
(ii)	The steps taken by the Company for utilizing alternate sources of energy	
(iii)	The capital investment on energy conservation equipments	
		i) In order to save energy, further 25 Nos. standard efficiency motor have been replaced with IE3 energy efficient motors and recorded around 5% saving as compared to standard motors.
		ii) Installed 2 Nos. set of voltage stabilizer with dimmer stat (60 kVA) for plant lighting load and observed around 6-8% saving.
		iii) Rate of motor failure/burning reduced to 0.95% as compared to 1.21% of last 2021-22.

(B) Technology Absorption:

a. Efforts, in brief made towards technology absorption, adoption and innovation:

- I. We have developed indigenous body by eliminating imported clays to manufacture certain type of insulators.
- II. Full scale production of SC glaze insulators implemented in all designs.
- III. Developed & implemented Cosmetic grey glaze.
- IV. Kiln cycle reduced further to save fuel.

b. Benefits derived as a result of above efforts:

- I. Reduction in power cost and fuel consumption due to reduced cycle hours.
- II. Reduced dependency on imported clays and reduction in cost of raw material.
- III. Reduction in rejection / raw material cost.
- IV. Entry in new product segments.

c. In case of imported technology (Imported during last three years reckoned from the beginning of the financial year): Nil

(C) **Foreign exchange earnings and Outgo:** The Company has earned during the period foreign exchange of ₹ 17943.49 Lacs against an outgo of ₹ 1401.90 Lacs.

INDEPENDENT AUDITOR'S REPORT

To the members of **Modern Insulators Limited**

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying Standalone Financial Statements of **Modern Insulators Limited** (the 'Company') which comprise the Balance Sheet as at **31 March 2023**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the 'Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in "Basis for Qualified Opinion" section of our report, the aforesaid standalone financial statements, give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2023, its profit (including Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

Provision for taxation including interest estimated at Rs.1762.36 Lacs for

the year ended 31 March 2023 (Previous Year Rs.1306.15 Lacs; upto the year Rs.7719.25 Lacs) has not been made in accounts in view of the proposed amalgamation under the provisions of Companies Act, 2013. (Refer note no. 33(iv)(a))

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31 March 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion, on these matters. In addition to what has been stated in the "Basis for Qualified Opinion" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>Measurement, presentation and disclosure of allowance for Expected Credit Losses (ECL) on trade receivables</p> <ul style="list-style-type: none"> The Company is required to recognize allowance for ECL on trade receivables due to the credit risks associated with each individual trade receivable. Management determines the allowance for ECL on trade receivables by reviewing customers ageing profile, historical loss adjusted to reflect current and estimated future economic conditions, credit history and suit filed cases for additional allowance. The determination of allowance for ECL is subjective and requires management to make judgements and assumptions, hence this is considered as key audit matter. <p>Refer note no. 1, 1A and 7 to the consolidated financial statements.</p>	<p>Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> Tested effectiveness of controls with respect to (i) development of methodology for allowance for expected credit losses, (ii) completeness and accuracy of the information used and (iii) computation of allowance for expected credit losses. Tested sample of the data used in the model to the underlying accounting records. Evaluated the ECL model calculations, agreeing the data inputs and checking the mathematical accuracy of the calculations. Assessed the key inputs and assumptions used Assessed whether the disclosures in the financial statements are adequate.

Information other than the Financial Statements and Auditor's Report thereon

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors / Management is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial

performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Board of Directors / 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 Board of Directors / Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone 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 Standards on Auditing 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 Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Board of Directors / 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 upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended 31 March 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Standalone Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) Except for the effects of the matter described in the "Basis for Qualified Opinion" section, in our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act;
- e) On the basis of written representations received from the directors as on 31 March 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023, from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the company and the operating effectiveness of such controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013, refer to our report in Annexure B;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in standalone financial statements. (Refer note no. 37)
 - ii) The Company has made provision, as required under the applicable law or Ind AS for material foreseeable losses, if any, on long term contracts including derivative contracts. (Refer note no. 50)
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in note no. 49(v), no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in note no. 49(vi), no funds

- (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures performed, that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.
- v) Since the Company has not declared or paid any dividend during the year ended 31 March 2023, the question of commenting upon the same does not arise.
- vi) The proviso to rule 3(1) of the Companies (Accounts) Rule 2014, for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company only w.e.f. 01 April 2023, and accordingly the reporting under rule 11(g) of the Companies (Audit and Auditors) Rule 2014, is not applicable for the financial year ended 31 March 2023.

For **R B Verma & Associates**
 Chartered Accountants
 Firm Registration No. 012650C

Rajesh Verma
 Partner

Membership No. 404029
 UDIN – 23404029BGXOLD6619

Place – Abu Road
 Date – 29th May, 2023

ANNEXURE A FORMING PART OF THE INDEPENDENT AUDITOR’S REPORT

Referred to in the report of even date of the Auditors to the members of Modern Insulators Limited

- (i) (a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipments except furniture & fixtures for which detailed records are not maintained.
- (B) The company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us, most of the property, plant and equipments have been physically verified during the year by the Management in accordance with a phased programme of verification at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company or its unit as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year and therefore this clause 3(i)(d) of the order is not applicable.
- (e) According to the information and explanations given to us and as represented to us by the Management, no proceedings have been initiated during the year or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder and therefore this clause 3(i)(e) of the order is not applicable.
- (ii) (a) According to the information and explanations given to us, the inventories have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable and no discrepancies of 10 % or more in the aggregate for each class of inventory were noticed on physical verification during the year.
- (b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of the security of current assets. Based on information and explanations given to us, we observed that, the figures reported in quarterly returns or statements filed by the company with such banks are not in agreement with the books of account of the company. The differences observed are not material. (Refer note no. 48)
- (iii) (a) The Company has granted loans to following as per the details given below:

(Rs. in Lacs)

Particulars	Loans granted
Aggregate amount granted during the year	
– subsidiaries (net) (Refer note no. 36)	463.83
– joint ventures (net) (Refer note no. 36)	26.68
– associates	–
– related parties (net) (Refer note no. 36)	415.00
– others	–
Balance outstanding as at 31st March, 2023 in respect of above	
– subsidiaries (Refer note no. 36)	463.83
– joint ventures (Refer not no. 36)	337.14
– associates	–
– related parties (Refer note no. 36)	5939.00
– others	61.12

- (b) (i) The Company has granted interest free unsecured loan to a Company covered in the register maintained under section 189 of the Companies Act, 2013 in view of proposed amalgamation under the provisions of Companies Act, 2013. According to the information and explanations given to us, since the amount paid is in connection to proposed amalgamation, no terms have been specified for repayment of loan and interest. In view of likely advantage to the Company on such amalgamation, granting of such loan is not prejudicial to the interest of the Company (Refer note no. 44(ii))
- (ii) The Company has granted unsecured loan to Joint Venture and Subsidiary Company covered in the register maintained under section 189 of the Companies Act, 2013, which is payable on demand. We are informed that the Company has received the amount demanded from the party and thus there is no default during the year. Interest on such loan has been paid / provided during the year except loan to Subsidiary Company. In our opinion, the terms and conditions of grant of such loan are not, prima facie, prejudicial to the interest of the Company. (Refer note no. 44(iii))

- (c) The Company, in respect of loans and advances in the nature of loans, has not stipulated the schedule of repayment of principal and payment of interest and therefore this clause 3(iii)(c) of the order is not applicable.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loans or advances in the nature of loans, which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans.
- (f) The Company has granted unsecured loan to another Company / subsidiary / joint venture which are payable on demand as per details below:

(Rs. in Lacs)

Particulars	All	Promoters parties	Related parties
Aggregate amount of loans / advances in the nature of loans:			
- Repayable on demand in the absence of any specific agreement (A)	6801.09	–	6739.97
- Agreement do not specify the terms and conditions of repayment (B)	–	–	–
Total (A)+(B)	6801.09	–	6739.97
Percentage of loans / advances in the nature of loans	100%	–	99.10%

- (iv) According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made, guarantees and securities provided, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act during the year and therefore this clause 3(v) of the order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 for the products of the Company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We had not, however carried out detailed examination of the same to determine whether they are accurate and complete.
- (vii) (a) According to the information and explanations given to us and based on our examination of the records, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it. Further no undisputed statutory dues as noted above are outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and based on our examination of the records, there are no statutory dues referred to in sub-clause (a) hereinabove as at 31 March 2023, which have not been deposited on account of dispute and therefore this clause 3(vii)(b) of the order is not applicable.
- (viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 and therefore this clause 3(viii) of the order is not applicable.
- (ix) (a) According to the information and explanations given to us and based on our examination of the records, the company has not defaulted in repayment of dues or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us and as represented to us by the Management, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and therefore this clause 3(ix)(f) of the order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and therefore this clause 3(x)(a) of the order is not applicable.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and therefore this clause 3(x)(b) of the order is not applicable.
- (xi) (a) According to the information and explanations given to us and based on our examination of the records, no material fraud by the Company or any fraud on the company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations given to us and as represented to us by the Management, there are no whistle-blower complaints received during the year and upto the date of this report.
- (xii) The company is not a Nidhi Company and therefore this clause 3(xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards. (Refer note no. 36)
- (xiv) (a) The Company has an internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports, for the year under audit, issued to the Company during the year.

- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them and therefore this clause 3(xv) of the order is not applicable.
- (xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore this clause 3(xvi)(a), (b) and (c) of the order is not applicable.
- (b) According to the information and explanations given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and therefore this clause 3(xvi)(d) of the order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year and therefore this clause 3(xviii) of the order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. (Refer note no. 47)
- (xx) According to the information and explanations given to us and on the basis of our examination of records, there are no unspent amounts in respect of Corporate Social Responsibility (CSR) towards ongoing or other than ongoing projects and therefore this clause 3(xx) of the order is not applicable.
- (xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For R B Verma & Associates
 Chartered Accountants
 Firm Registration No. 012650C

Rajesh Verma
 Partner

Place – Abu Road
 Date – 29th May, 2023

Membership No. 404029
 UDIN – 23404029BGXOLD6619

ANNEXURE B FORMING PART OF THE INDEPENDENT AUDITOR'S REPORT

Referred to in the report of even date of the Auditors to members of Modern Insulators Limited

We have audited the internal financial controls with reference to standalone financial statements of **Modern Insulators Limited** (“the Company”) as of **31 March 2023** 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 Board of Directors / Management is responsible for establishing and maintaining internal financial controls based on the internal financial controls 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (the ‘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 (the ‘Act’).

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial control with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an

adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **R B Verma & Associates**
Chartered Accountants
Firm Registration No. 012650C

Rajesh Verma
Partner
Membership No. 404029
UDIN – 23404029BGXOLD6619

Place – Abu Road
Date – 29th May, 2023

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	16812.57	17465.31
(b) Capital work-in-progress	2	9.20	-
(c) Intangible assets	2	14.96	12.64
(d) Financial assets			
(i) Investments	3	10.01	10.01
(ii) Loans	4	5939.00	5524.00
(iii) Other financial assets	5	1074.26	1096.30
(e) Other non-current assets		-	-
Total Non-current assets		23860.00	24108.26
Current assets			
(a) Inventories	6	11729.65	12270.39
(b) Financial assets			
(i) Trade receivables	7	10479.01	10010.38
(ii) Cash and cash equivalents	8	118.74	415.58
(iii) Bank balances other than cash and cash equivalents	9	338.26	288.26
(iv) Investments	10	538.28	1037.93
(v) Loans	11	862.09	496.55
(vi) Other financial assets	12	324.97	260.15
(c) Other current assets	13	2226.50	1795.32
Total Current assets		26617.50	26574.56
TOTAL ASSETS		50477.50	50682.82
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	4714.39	4714.39
(b) Other equity	15	34330.06	31483.55
Total Equity		39044.45	36197.94
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	24.69	45.95
(b) Provisions	17	2365.88	2388.03
(c) Deferred tax liabilities (Net)	18	2371.12	2587.73
(d) Other non-current liabilities	19	23.05	22.22
Total Non-current liabilities		4784.74	5043.93
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	777.36	2542.14
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	21	274.78	472.81
- Total outstanding dues of creditors other than micro enterprises and small enterprises	21	2892.85	3510.95
(iii) Other financial liabilities	22	1591.53	1748.41
(b) Provisions	23	437.93	379.38
(c) Other current liabilities	24	673.86	787.26
Total Current liabilities		6648.31	9440.95
TOTAL EQUITY AND LIABILITIES		50477.50	50682.82

Significant accounting policies

1

Other notes on standalone financial statements

33 to 52

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

As per our report of even date attached

For and on behalf of the Board

For R B Verma & Associates
 Chartered Accountants
 Firm Registration No. 012650C

Rajesh Verma
 Partner
 Membership No. 404029

 Place : Abu Road
 Date : 29th May, 2023

Sachin Ranka	- Chairman & Managing Director	(DIN : 00335534)
Shreyans Ranka	- Whole-Time Director	(DIN : 06470710)
P.K. Gokhroo	- Executive Director	(DIN : 06810797)
R. Raniwala	- Independent Director	(DIN : 00506419)
S.K. Sharma	- Independent Director	(DIN : 01378040)
Rahul Singhvi	- Independent Director	(DIN : 08816920)
Meenu Sacheti	- Independent Director	(DIN : 02266703)
D.S. Singhvi	- Chief Financial Officer	

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Lacs)

Particulars	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
Income			
Revenue from operations	25	43095.56	43621.80
Other income	26	1534.06	1196.33
Total Income		<u>44629.62</u>	<u>44818.13</u>
Expenses			
Cost of materials consumed	27	12469.46	14192.15
Purchase of stock-in-trade		99.80	34.33
Changes in inventories of finished goods, stock-in-trade & stock-in-process	28	1427.24	(1053.42)
Employee benefits expense	29	6953.47	7128.12
Finance costs	30	415.27	519.75
Depreciation and amortization expense	2	867.76	872.97
Other expenses	31	19792.93	21070.09
Total Expenses		<u>42025.93</u>	<u>42763.99</u>
Profit before exceptional items and tax		<u>2603.69</u>	2054.14
Exceptional items		-	-
Profit before tax		<u>2603.69</u>	2054.14
Tax Expense			
Current tax		-	-
Deferred tax		(225.77)	(135.85)
Total tax expenses		<u>(225.77)</u>	<u>(135.85)</u>
Profit for the year		<u>2829.46</u>	<u>2189.99</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Actuarial gain/(loss) on defined benefit plan		26.21	3.40
Income tax relating to above		(9.16)	(1.19)
Total other comprehensive income for the year (net of tax)		<u>17.05</u>	<u>2.21</u>
Total comprehensive income for the year		<u>2846.51</u>	<u>2192.20</u>
Earnings per equity share (face value ₹ 10 per share)			
Basic (₹)	32	6.00	4.65
Diluted (₹)		6.00	4.65
Significant accounting policies	1		
Other notes on standalone financial statements	33 to 52		

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

As per our report of even date attached

For R B Verma & Associates
 Chartered Accountants
 Firm Registration No. 012650C

Rajesh Verma
 Partner
 Membership No. 404029
 Place : Abu Road
 Date : 29th May, 2023

For and on behalf of the Board

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 D.S. Singhvi – Chief Financial Officer

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Lacs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
A. Cash Flow from Operating Activities		
Profit before tax	2603.69	2054.14
Adjustments for:		
– Depreciation and amortisation expenses	867.76	872.97
– Provisions	62.61	67.37
– Foreign exchange Fluctuation (net)	62.59	62.56
– Profit on disposal of property, plant and equipment	(36.88)	(258.32)
– Finance costs	415.27	519.75
– Loss/(profit) on fair valuation of investment carried at fair value through profit and loss (FVTPL)	99.67	43.86
– Interest income received	(128.03)	(123.85)
Operating profit before working capital changes	3946.68	3238.48
Adjustment for		
– Trade and other receivables	(1055.18)	(598.02)
– Inventories	540.74	(876.46)
– Trade and other payables	(1085.58)	(797.00)
Net Cash from Operating Activities (A)	2346.66	967.00
B. Cash Flow from Investing Activities		
– Proceeds from sale of property, plant and equipment	54.83	323.91
– Purchase of property, plant and equipment (including capital work-in progress)	(244.49)	(236.16)
– Loans and advances given (net)	(780.54)	(455.70)
– Interest income received	128.03	123.85
– Proceeds from sale of Equity Shares / Mutual Fund	399.98	(149.84)
Net Cash used in Investing Activities (B)	(442.19)	(393.94)
C. Cash Flow from Financing Activities		
– Repayment of long term borrowings (net)	(29.08)	(12.66)
– Repayment of short term borrowings (net)	(1756.96)	234.01
– Interest paid	(415.27)	(519.75)
Net cash used in Financing Activities (C)	(2201.31)	(298.40)
Net increase/(decrease) in cash and cash equivalents(A+B+C)	(296.84)	274.66
Cash and cash equivalents at the beginning of the year	415.58	140.92
Cash and cash equivalents at the close of the year	118.74	415.58
Cash and Cash Equivalent includes:-		
Particulars	As at 31.03.2023	As at 31.03.2022
Cash on hand	14.18	15.67
With Banks		
– In current accounts	56.88	333.04
– In deposit accounts maturing within 3 months	47.68	66.87
Total	118.74	415.58

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

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

As per our report of even date attached

For R B Verma & Associates
 Chartered Accountants
 Firm Registration No. 012650C

Rajesh Verma
 Partner
 Membership No. 404029

Place : Abu Road
 Date : 29th May, 2023

For and on behalf of the Board

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 Meenu Sacheti – Independent Director (DIN : 02266703)
 D.S. Singhvi – Chief Financial Officer

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A. Equity Share Capital

(₹ in Lacs)

As at 1st April, 2021	4714.39
Changes in equity share capital due to prior period errors	–
Restated balance at the beginning of the current reporting period	4714.39
Changes in equity share capital during the current year	–
As at 31st March, 2022	4714.39
As at 1st April, 2022	4714.39
Changes in equity share capital due to prior period errors	–
Restated balance at the beginning of the current reporting period	4714.39
Changes in equity share capital during the current year	–
As at 31st March, 2023	4714.39

B. Other Equity

(₹ in Lacs)

Particulars	Reserves and Surplus			Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings	
Balance as at 1st April, 2021	2911.45	1285.87	25094.03	29291.35
Profit for the year	–	–	2189.99	2189.99
Other comprehensive income	–	–	2.21	2.21
Total Comprehensive Income for the Year	–	–	2192.20	2192.20
Balance as at 31st March, 2022	2911.45	1285.87	27286.23	31483.55
Balance as at 1st April, 2022	2911.45	1285.87	27286.23	31483.55
Profit for the year	–	–	2829.46	2829.46
Other comprehensive income	–	–	17.05	17.05
Total Comprehensive Income for the Year	–	–	2846.51	2846.51
Balance as at 31st March, 2023	2911.45	1285.87	30132.74	34330.06

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached

For R B Verma & Associates
 Chartered Accountants
 Firm Registration No. 012650C

Rajesh Verma
 Partner
 Membership No. 404029
 Place : Abu Road
 Date : 29th May, 2023

For and on behalf of the Board

Sachin Ranka	– Chairman & Managing Director	(DIN : 00335534)
Shreyans Ranka	– Whole-Time Director	(DIN : 06470710)
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Rahul Singhvi	– Independent Director	(DIN : 08816920)
Meenu Sacheti	– Independent Director	(DIN : 02266703)
D.S. Singhvi	– Chief Financial Officer	

Notes forming part of standalone financial statements

CORPORATE INFORMATION

Modern Insulators Limited (the Company) is a public limited company incorporated in India under the provisions of the Companies Act, 1956 (the Act) having its registered office at Abu Road, Rajasthan, India. The Company is primarily engaged in the business of manufacturing insulators and Terry towels.

Note no. 1: Significant Accounting Policies

(a) Basis of preparation

- (i) The Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods in the Financial Statements.
- (ii) The Financial Statements are prepared on accrual basis under the historical cost convention except (i) Claims of customers & others which are accounted for as and when paid/settled and (ii) financial assets and liabilities (including derivatives instruments) that are measured at fair value as required by relevant Ind AS. The methods used to measure fair values are discussed in notes to financial statements.
- (iii) The preparation of financial statements requires judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimated. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Major estimates are discussed in Note No. 1A.

(b) Functional and presentation currency

These financial statements are presented in Indian Rupees, which is the functional currency of the company and the currency of the primary economic environment in which the Company operates.

(c) Classification of assets and liabilities into current and non-current

The Company has ascertained its operating cycle as twelve months for the purpose of Current and Non-Current classification of its Assets and Liabilities. Classification is done in accordance with Schedule III Division II of the Companies Act, 2013.

For the purpose of Balance Sheet, an asset is classified as current when:

- (i) It is expected to be realised or intended to be sold or consumed in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is expected to be realised within twelve months after the reporting period; or
- (iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current when:

- (i) It is expected to be settled in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is due to be settled within twelve months after the reporting period; or

- (iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

(d) Property, plant & equipment (PPE)

The Company had applied for the one time transition exemption of considering the fair value as on the date of transition i.e. 01st April, 2016 as the deemed cost under Ind AS. Hence regarded thereafter as historical cost.

Freehold land is carried at Cost. All other items of Property, plant and equipment (PPE) are stated at acquisition or construction cost less accumulated depreciation / amortisation and impairment loss. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Subsequent expenditure incurred after the PPE have been put into operations is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Items such as spare parts, standby equipments and servicing equipments are recognised as PPE when it is held for use in the production or supply of goods or services or for administrative purpose and are expected to be used for more than one year. Otherwise such items are classified as inventory.

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

(e) Expenditure during construction period

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non Current Assets"

(f) Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical evaluation. Leasehold lands are amortised over the lease term unless it is reasonably certain that the Company will obtain ownership by the end of lease term.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE

is expected to be available for use by the Company or the number of production or similar units expected to be obtained from the asset by the Company.

In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical evaluation, taking into consideration the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

The useful life considered for calculation of depreciation / amortisation for various Asset class are as under:

S. No.	Asset class	Useful life
1.	Leasehold Assets	Lease period
2.	Factory Building	4-30 Years
3.	Non- factory building	4-60 Years
4.	Plant & Machinery	1-30 Years
5.	Furniture & Fixtures	2-10 Years
6.	Office equipments	0-5 Years
7.	Vehicles	2-10 Years

Based on technical evaluation, management believes that the useful life as given above best represent the period over which the management expects to use these assets.

Depreciation on additions is provided on a pro-rata basis from the date of installation or acquisition and in case of Projects from the date of commencement of commercial production.

Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

(g) Intangible assets and amortization

Internally generated intangible assets

Expenditure incurred on development is capitalised if such expenditure leads to creation of any intangible asset, otherwise, such expenditure is charged to the Statement of Profit and Loss. PPE procured for research and development activities are capitalised.

Intangible assets acquired separately

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment loss, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

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

The useful life considered for calculation of depreciation / amortisation for various Asset class are as under:

Asset class	Useful life
Computer Software	1-3 Years

Based on technical evaluation, management believes that the useful life as given above best represent the period over which the management expects to use these assets.

Intangible asset having definite life are amortised on systematic basis over their useful life. If life of any intangible asset is indefinite then it is not amortised but tested for impairment loss at the end of each reporting date.

(h) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, development or erection of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing cost are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

(i) Inventories

Inventories are valued at the lower of cost and net realisable value.

Raw material, stores and spare parts and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted average basis.

Cost of finished goods and work- in- progress includes cost of conversion based on normal capacity and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Spare parts, other than those capitalised as PPE are carried as inventories.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained after review and if found material, suitable provision is made / written down based on technical evaluation, its recoverable value and management's best estimate.

(j) Investment in subsidiary and joint venture

Investments in subsidiary company and joint venture are recognized at cost as per Ind AS 27.

(k) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash in hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

(l) Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received and all associated conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

(m) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net

present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligations. Provisions are reviewed at each reporting date and are adjusted to reflect the management's best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed 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. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(n) Foreign currency transactions and translations

Transactions in foreign currencies, other than the Company's functional currency are recognised at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which these arise.

(o) Revenue recognition

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) – Revenue from contracts with customers'. The impact of the adoption of Ind-AS 115 on the financial statements of the Company is insignificant.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- (i) The customer simultaneously receives and consumes the benefits provided by the Company's performance; or
- (ii) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (iii) The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions is not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

If the Company has any contract wherein the period between transfer of the promised goods or services to the customer and payment by the customer exceeds one year, transaction price is adjusted for the time value of money.

(p) Other operating revenues / other income

- (i) Income from services is recognized (net of GSTs applicable) based on the services rendered in accordance with the terms of contracts.
- (ii) For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset.
- (iii) Interest income for all financial instruments measured at fair value through other comprehensive income is recognized in the statement of profit and loss.
- (iv) Dividend income is accounted for when the right to receive the income is established.
- (v) Export incentives under various schemes are recognized in the year of export.

(q) Employee Benefits

Short term employee benefits

Short-term employee benefit obligations are recognized as an expense on accrual basis.

Defined contribution plans

Defined contribution plans are those plans in which an entity pays fixed contribution into separate entities and will have no legal or constructive obligation to pay further amounts. Provident fund and employee state insurance are defined contribution plans in which company pays a fixed contribution and will have no further obligation.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Company pays Gratuity as per provisions of the Payment of Gratuity Act, 1972. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a liability to the company, the present value of liability is recognized as provision for employee benefit. Any actuarial gains or losses are recognized in Other Comprehensive Income in the period in which they arise.

Other long-term employee benefits

Benefits under the Company's leave encashment constitute other long term employee benefits.

The Company's net obligation in respect of leave encashment is the amount of future benefits that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in the Statement of profit and loss in the period in which they arise.

(r) Research and development expenditure

Revenue expenditure on research and development is charged as an expense in the year in which it is incurred under the respective heads of accounts. Expenditure which results in the creation of capital assets is capitalised and depreciation is provided on such assets as applicable.

(s) Income taxes

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset, if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable.

Income tax expenses relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss.

(t) Leases

Leases are classified as finance leases, when the terms of the lease, transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating Leases.

Operating Lease: Lease rentals are charged or recognised in the statement of profit and loss on a straight-line basis over the lease term.

Finance Lease: Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease obligation. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance

with the Company's policy on borrowing costs.

(u) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of 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 assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(v) Impairment of financial assets

At the end of each reporting period, the Company applies the expected credit loss model for recognizing the impairment loss on financial assets including trade receivables. Expected credit loss is the difference between the contractual cash flows and the cash flows the entity expects to receive using effective interest rate.

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses. For other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses unless there is significant increase in the credit risk from initial recognition in which case those are measured at lifetime expected credit losses. Lifetime expected credit losses are expected credit losses that result from all possible defaults over the expected life of financial instrument. Lifetime expected credit losses are computed based on provision matrix which takes into account historical credit losses adjusted for forward looking information, suit filed cases and credit information of customers.

(w) Segment reporting

Identification of Segments

Operating Segments are identified based on monitoring of operating results by the Board of Directors separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss of the Company.

Operating Segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system.

Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(x) Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest prior period presented, the opening balances of assets, liabilities and equity for the earliest prior period presented, are restated.

(y) Earnings Per Share (EPS)

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(z) Fair value Measurement

The company measures financial instruments, such as investments and derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair values are categorized into different levels in the hierarchy as under:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(aa) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

i) Initial Recognition: Financial assets and Financial liabilities

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

ii) Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

At amortised cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

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

After initial recognition, such financial assets are subsequently measured at amortised cost using expected interest rate (EIR) method. In case of financial assets at amortised costs, interest income, foreign exchange gain or loss and impairment are recognized in Statement of profit and loss.

At fair value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Where the Company has elected to present the fair value gain on equity instruments in other comprehensive income, there is no subsequent classification of fair value gain or losses to profit and loss account. Dividend from such instruments is recognized in profit and loss account as other income where right to receive is established.

At fair value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss other than those measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The Company recognises a loss allowance for expected credit losses on financial asset. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time credit expected losses. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises associated liabilities.

On derecognition of a financial asset, other than investments classified as FVOCI, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

iii) Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of Financial Liabilities:

The Company derecognises a financial liability when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by

another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such exchange or modification is treated as derecognition of the original liability and the recognition of a new financial liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

The difference between the carrying amount of financial liability derecognized and consideration paid and payable is recognized in the statement of profit and loss.

On derecognition of equity investments classified as FVOCI, accumulated gains or loss recognised in OCI is transferred to retained earnings.

(bb) Financial liabilities and equity instruments

• **Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

• **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

(cc) Derivative financial instruments

The Company enters into derivative financial instruments viz. foreign exchange forward contracts to manage foreign exchange risks. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date derivative contracts are entered into and are subsequently remeasured at their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss.

Note no. 1A. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Continuous evaluation is done on estimates and judgments based on historical experience and other factors, including expectation of future events that are believed to be reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates made in preparing Financial Statements:

(a) Useful life of Property, plant and equipment and intangible assets

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

(b) Post-employment benefit plans

Employees benefit obligations are measured on the basis of

actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

(c) **Expected credit losses on financial assets**

The loss allowance on financial assets including trade receivables are based on assumption about the risk of default and expected timing of collection. The Company uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculation based on Company's history of credit losses adjusted to reflect current and estimated future economic conditions, suit filed cases and credit information of customers at the end of each reporting period.

(d) **Provisions and contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind

AS37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events requires best judgment by the management regarding the probability of exposure to potential loss. If circumstances change following unforeseeable developments, this likelihood could alter.

(e) **Impairment of non-financial assets**

The company has used certain judgments and estimation to estimate future projection and discount rate to compute value in used of assets/cash generating units and to assess impairment.

(f) **Revenue recognition**

The company recognised the revenue from contract with customers based on 5 steps model as per Ind AS-115 which involve judgments relating to identification of contracts with customers, identification of distinct performance obligation, determination of transaction price with respect to identified performance obligation, appropriateness of the basis used to recognise revenue and when the control of goods and services are being transferred.

Notes forming part of standalone financial statements
Note No. 2 : PROPERTY, PLANT & EQUIPMENT, CAPITAL WORK IN PROGRESS AND INTANGIBLE ASSETS
As at 31st March 2023
(₹ in Lacs)

Particulars	Gross Block				Depreciation/Amortization				Net Block	
	As at 01.04.2022	Additions	Deductions/ Adjustments	As at 31.03.2023	As at 01.04.2022	Depreciation for the year	Deductions/ Adjustments	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
A. Property, Plant & Equipment										
Leasehold Land	3644.49	–	–	3644.49	321.58	53.60	–	375.18	3269.31	3322.91
Freehold Land	3780.52	–	–	3780.52	–	–	–	–	3780.52	3780.52
Building	4507.57	–	–	4507.57	963.01	152.75	–	1115.76	3391.81	3544.56
Plant & Machinery	10403.39	179.87	120.43	10462.83	3908.60	586.46	113.53	4381.53	6081.30	6494.79
Furniture & Fixtures	183.21	10.79	12.66	181.34	95.18	15.80	6.37	104.61	76.73	88.03
Office Equipments	172.96	25.89	0.43	198.42	111.90	22.77	0.29	134.38	64.04	61.06
Vehicles	273.35	11.55	10.65	274.25	99.91	31.51	6.03	125.39	148.86	173.44
Total (A)	22965.49	228.10	144.17	23049.42	5500.18	862.89	126.22	6236.85	16812.57	17465.31
B. Intangible assets										
Computer Software	122.03	7.19	–	129.22	109.39	4.87	–	114.26	14.96	12.64
Total (B)	122.03	7.19	–	129.22	109.39	4.87	–	114.26	14.96	12.64
Total (A+B)	23087.52	235.29	144.17	23178.64	5609.57	867.76	126.22	6351.11	16827.53	17477.95
Capital work-in-progress		9.20							9.20	–

As at 31st March 2022
(₹ in Lacs)

Particulars	Gross Block				Depreciation/Amortization				Net Block	
	As at 01.04.2021	Additions	Deductions/ Adjustments	As at 31.03.2022	As at 01.04.2021	Depreciation for the year	Deductions/ Adjustments	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
A. Property, Plant & Equipment										
Leasehold Land	3644.49	–	–	3644.49	267.98	53.60	–	321.58	3322.91	3376.51
Freehold Land	3792.50	–	11.98	3780.52	–	–	–	–	3780.52	3792.50
Building	4499.27	8.30	–	4507.57	810.58	152.43	–	963.01	3544.56	3688.69
Plant & Machinery	10364.65	137.36	98.62	10403.39	3403.50	577.34	72.24	3908.60	6494.79	6961.15
Furniture & Fixtures	173.04	17.76	7.59	183.21	82.68	15.91	3.41	95.18	88.03	90.36
Office Equipments	148.22	25.32	0.58	172.96	94.33	18.12	0.55	111.90	61.06	53.89
Vehicles	284.55	44.37	55.57	273.35	100.81	31.65	32.55	99.91	173.44	183.74
Total (A)	22906.72	233.11	174.34	22965.49	4759.88	849.05	108.75	5500.18	17465.31	18146.84
B. Intangible assets										
Computer Software	118.98	3.05	–	122.03	85.47	23.92	–	109.39	12.64	33.51
Total (B)	118.98	3.05	–	122.03	85.47	23.92	–	109.39	12.64	33.51
Total (A+B)	23025.70	236.16	174.34	23087.52	4845.35	872.97	108.75	5609.57	17477.95	18180.35
Capital work-in-progress									–	–

2.1 Leasehold land classified as finance lease is recognised under property, plant and equipment as substantially all the significant risk and rewards incidental to the ownership of the land under lease have been transferred to the company.

2.2 In accordance with the Indian accounting standard (Ind AS 36) Impairment of assets, management has during the year carried out exercise of identifying assets that may have been impaired. Based on review carried out by management there was no impairment loss on property, plant and equipment (PPE) during the year.

2.3 Title deeds of immovable property (other than lease hold land taken on lease by duly executed lease deed) are held in the name of the company or its division.

2.4 Capital Work In Progress Ageing Schedule.

(₹ in Lakhs)

Particulars	As on 31st March, 2023					As on 31st March, 2022				
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	Total	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	Total
Project in Progress	9.20	–	–	–	9.20	–	–	–	–	–
Projects temporary suspended	–	–	–	–	–	–	–	–	–	–

There is no project under Capital Work in Progress which is overdue in terms of timeliness or cost.

Notes forming part of standalone financial statements
Note No. 3 : NON CURRENT INVESTMENTS (₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Trade Investments (Unquoted)		
Investment in Govt. securities (carried at cost)		
National Saving Certificates (Deposited with Govt. department)	0.01	0.01
Investment in Subsidiary (carried at cost)		
Modern Metal High-Tech Components Private Limited 100000 Equity Shares of ₹ 10/- each, fully paid up (31st March, 2022 - 100000 Equity Shares of ₹ 10/- each, fully paid up)	10.00	10.00
Total	10.01	10.01
3.1 Aggregate amount of unquoted investments	10.01	10.01
3.2 Aggregate amount of impairment in the value of investments	-	-

Note No. 4 : NON CURRENT LOANS (₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
(Unsecured, considered good)		
Loans and advances to related party (Refer note no. 36 and 44)	5939.00	5524.00
Total	5939.00	5524.00
Break-up:		
Loans considered good- Secured	-	-
Loans considered good- Unsecured	5939.00	5524.00
Loans which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
Total	5939.00	5524.00
Less: Allowance for bad and doubtful loans	-	-
Total Loans	5939.00	5524.00
4.1 Refer note no. 44 for additional disclosure		

Note No. 5 : OTHER NON CURRENT FINANCIAL ASSETS (₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
(Unsecured, considered good)		
Fixed deposits with banks	26.88	42.26
Security deposits	1047.38	1054.04
Total	1074.26	1096.30
5.1 Fixed deposits are kept towards margin against limits availed from the banks.		
5.2 Fixed deposits with banks are those having maturity period more than 12 months.		
5.3 Security deposits includes balances with electricity board, etc. and have been given for business purpose.		

Note No. 6 : INVENTORIES (₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
(Valued at lower of cost or net realisable value)		
Raw materials (Including in transit 31st March, 2023- ₹ 478.43 Lacs; 31st March, 2022- ₹ 220.71 Lacs)	3021.69	2281.70
Stock in process	2997.81	3265.29
Finished stock (Including in transit 31st March, 2023- ₹ Nil Lacs; 31st March, 2022- ₹ Nil Lacs)	4605.36	5735.87
Stock-in-trade (Traded goods)	1.84	31.09
Fuel	88.17	99.36
Packing material	265.11	141.75
Stores and spares (Including in transit 31st March, 2023- ₹ 28.31 Lacs; 31st March, 2022- ₹ 73.15 Lacs)	599.19	715.33
EPC Material Stock	150.48	-
Total	11729.65	12270.39

6.1 Inventory write downs are accounted, considering the value of inventory ageing and net realisable value. Write downs of inventory during the year amounted to ₹ 16.56 Lacs (31st March, 2022- ₹ Nil Lacs). These write downs are recognised as an expense in the statement of Profit and Loss. The reversal on account of above during the year amounted to ₹ Nil Lacs (31st March, 2022- ₹ Nil Lacs).

Notes forming part of standalone financial statements
Note No. 7 : TRADE RECEIVABLES

(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Trade receivables	10575.05	10248.70
Trade receivables from related party (Refer note no. 36)	85.00	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Less: Allowance for bad and doubtful trade receivables	181.04	238.32
Total receivables	10479.01	10010.38
Current portion	10479.01	10010.38
Non-current portion	-	-
Break up of security details:		
Secured, considered good	-	-
Unsecured, considered good	10479.01	10010.38
Doubtful	181.04	238.32
Total	10660.05	10248.70
Allowance for bad and doubtful trade receivables	(181.04)	(238.32)
Total trade receivables	10479.01	10010.38

7.1 Balance of trade receivables are subject to reconciliations, confirmation and consequential adjustment, if any.

7.2 Includes ₹ 183.84 Lacs (31st March, 2022- ₹ 183.34 Lacs) under litigation for which adequate provision has been made.

7.3 Refer note no. 45 for ageing of trade receivable.

Note No. 8 : CASH AND CASH EQUIVALENTS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Cash on Hand	14.18	15.67
Balances with Banks		
In Current accounts	56.88	333.04
In Deposit accounts (with maturity upto 3 months)	47.68	66.87
Total	118.74	415.58

8.1 Balance in deposit accounts are kept towards margin against limits availed from the banks.

Note No. 9 : BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Bank deposits (With maturity more than 3 months but less than 12 months)	338.26	288.26
Total	338.26	288.26

9.1 Bank deposits are kept towards margin against limits availed from the banks.

Note No. 10 : CURRENT INVESTMENTS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Investment in Equity Instruments (Quoted)		
(Carried at fair value through profit & loss)		
Centrum Capital Limited	106.86	146.31
566000 (31st March, 2022- 566000) Equity Shares of ₹ 1/- each fully paid up		
Uniply Industries Limited	-	25.68
642000 (31st March, 2022- 642000) Equity Shares of ₹ 2/- each fully paid up		
HDFC Life Insurance Company Limited	174.77	188.37
35000 (31st March, 2022-35000) Equity Shares of ₹ 10/- each fully paid up		
Sub Total Equity Instruments (Quoted)	281.63	360.36

Notes forming part of standalone financial statements

PARTICULARS	(₹ in Lacs)	
	As at 31st March, 2023	As at 31st March, 2022
Investment in Mutual Funds (Quoted) (Carried at fair value through profit & loss)		
ICICI prudential long short fund-Sr- I	–	413.10
Nil (31st March, 2022 -399980.001) units @103.28/- fully paid up		
Edelweiss crossover opportunities fund	103.35	111.17
992542.147 (31st March, 2022 -992668.053 units @ 10.4124/-) units @ 11.1988/- fully paid up		
Sub Total Mutual Fund (Quoted)	103.35	524.27
Sub Total (Quoted)	384.98	884.63
Investment in Equity Instruments (Unquoted) (Carried at Cost)		
HDB Financials Limited	153.30	153.30
21000 (31st March, 2022 -21000) Equity Shares of ₹ 10/- each fully paid up		
Sub Total (Unquoted)	153.30	153.30
Total (Quoted and Unquoted Investment)	538.28	1037.93
10.1 Aggregate amount of quoted & unquoted investments (at cost)	1049.32	1449.30
10.2 Aggregate amount of impairment in the value of investment	511.04	411.37

Note No. 11 : CURRENT LOANS

PARTICULARS	(₹ in Lacs)	
	As at 31st March, 2023	As at 31st March, 2022
(Unsecured, considered good)		
Loans to related parties (Refer note no. 36 and 44)	800.97	343.75
Loans to others	61.12	152.80
Total	862.09	496.55
Break-up:		
Loans considered good- Secured	–	–
Loans considered good- Unsecured	862.09	496.55
Loans which have significant increase in credit risk	–	–
Loans- credit impaired	–	–
Total	862.09	496.55
Less: Allowance for bad and doubtful loans	–	–
Total Loans	862.09	496.55

11.1 Disclosure as per the requirements of Section 186 of the Companies Act, 2013.

Name of the Company	Terms of Loan	Maximum balance outstanding during the year		Amount Outstanding	
		As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Modern Metal High-Tech Components Pvt. Ltd. (100% Subsidiary Company)	– Payable on demand – Interest Free	463.83	–	463.83	–
Shriji Designs MIL JV	– Payable on demand – Interest rate- 12% p.a.	349.64	799.71	337.14	343.75

11.2 Loans to subsidiary company and joint venture have been given for their normal business requirement and the same have been utilised for that purpose only.

11.3 Refer note no. 44 for additional disclosure.

Notes forming part of standalone financial statements
Note No. 12 : OTHER CURRENT FINANCIAL ASSETS
(₹ in Lacs)

PARTICULARS	As at 31st	As at 31st
	March, 2023	March, 2022
(Unsecured, considered good)		
Advances to employees	22.04	27.94
Deposits	21.92	43.78
Export benefits receivables	136.62	138.85
Accrued interest	129.97	45.22
Others	14.42	4.36
Total	324.97	260.15

Note No. 13 : OTHER CURRENT ASSETS
(₹ in Lacs)

PARTICULARS	As at 31st	As at 31st
	March, 2023	March, 2022
(Unsecured, considered goods)		
Prepaid expenses	86.90	69.52
Advances to suppliers for goods & services	640.69	321.94
Balance with Govt. authorities	291.94	248.56
Income Tax advance	456.01	456.01
Tax deducted at source	676.72	587.30
Others	74.24	111.99
(Unsecured, considered doubtful)		
Balance with Govt. authorities	15.70	–
Less allowance for doubtful debts	(15.70)	–
Total	2226.50	1795.32

13.1 Advances to suppliers for goods and services include advances against purchases & services, which are receivable in kind in next 12 Months & are for business purpose.

Note No. 14 : EQUITY SHARE CAPITAL
(₹ in Lacs)

PARTICULARS	As at 31st	As at 31st
	March, 2023	March, 2022
Authorised		
9,00,00,000 (31st March, 2022- 9,00,00,000) equity shares of ₹ 10/- each	9000.00	9000.00
5,00,000 (31st March, 2022- 5,00,000) Preference shares of ₹ 100/- each	500.00	500.00
Total	9500.00	9500.00
Issued, subscribed and paid-up		
4,71,43,900 (31st March, 2022- 4,71,43,900) Equity shares of ₹ 10/- each fully paid-up	4714.39	4714.39
Total	4714.39	4714.39

14.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number of Shares	₹ in Lacs	Number of Shares	₹ in Lacs
Balance as at the beginning of the year	47143900	4714.39	47143900	4714.39
Add : Issued during the year	–	–	–	–
Balance as at the end of the year	47143900	4714.39	47143900	4714.39

14.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.10/- per share. Each Holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the company after distribution of preferential amount, in proportion to their shareholding.

Notes forming part of standalone financial statements
14.3 Details of share holders holding more than 5% of shares of the company:-

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Vijay Beneficiary Trust	16495731	34.99	16495731	34.99
Jay Beneficiary Trust	6530886	13.85	6530886	13.85
Pride Mercantiles Pvt. Ltd.	5343453	11.33	5343453	11.33

14.4 Details of shareholding of promoters & promoters group companies /trust :-
As at 31st March, 2023

Promoter Name	No. of shares as at 1.4.2022	Change during the year	No. of shares as at 31.03.2023	% of Total Shares as at 31.03.2023	% change during the year
Pride Mercantiles Pvt. Ltd.	5343453	–	5343453	11.3343	–
Jay Beneficiary Trust (Through trustee Sachin Ranka)	6530886	–	6530886	13.8531	–
Vijay Beneficiary Trust (Through trustee Sachin Ranka)	16495731	–	16495731	34.9902	–
Sachin Ranka	500	–	500	0.0011	–
Shreyans Ranka	500	–	500	0.0011	–
Smriti Ranka	500	–	500	0.0011	–
Suvrat Ranka	500	–	500	0.0011	–
Kakunda Investment Pvt. Ltd.	9807	–	9807	0.0208	–
Total	28381877	–	28381877	60.2028	–

As at 31st March, 2022

Promoter Name	No. of shares as at 1.4.2021	Change during the year	No. of shares as at 31.03.2022	% of Total Shares as at 31.03.2022	% change during the year
Pride Mercantiles Pvt. Ltd.	5343453	–	5343453	11.3343	–
Jay Beneficiary Trust (Through trustee Sachin Ranka)	6530886	–	6530886	13.8531	–
Vijay Beneficiary Trust (Through trustee Sachin Ranka)	16495731	–	16495731	34.9902	–
Sachin Ranka	500	–	500	0.0011	–
Shreyans Ranka	500	–	500	0.0011	–
Smriti Ranka	500	–	500	0.0011	–
Suvrat Ranka	500	–	500	0.0011	–
Ajaymeru Trading and Investments Private Limited	34558	(34558)	–	–	100
Kakunda Investment Pvt. Ltd.	9807	–	9807	0.0208	–
Total	28416435	(34558)	28381877	60.2028	0.12

Note No. 15 : OTHER EQUITY

(₹ in Lacs)

Particulars	Reserves and Surplus			Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings	
Balance as at 1st April, 2021	2911.45	1285.87	25094.03	29291.35
Profit for the year	–	–	2189.99	2189.99
Other comprehensive income	–	–	2.21	2.21
Balance as at 31st March, 2022	2911.45	1285.87	27286.23	31483.55
Balance as at 1st April, 2022	2911.45	1285.87	27286.23	31483.55
Profit for the year	–	–	2829.46	2829.46
Other comprehensive income	–	–	17.05	17.05
Balance as at 31st March, 2023	2911.45	1285.87	30132.74	34330.06

Notes forming part of standalone financial statements

15.1 The description of the nature and purpose of each reserve within equity is as follows:

A. Capital Reserve: Capital Reserve is created mainly on amalgamation of Modern Terry Towel Ltd.(MTTL) with the Company. This reserve is utilised in accordance with the provisions of the Act.

B. Securities Premium Reserve: Securities premium reserve is created due to premium on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

Note No. 16 : NON CURRENT BORROWINGS		(₹ in Lacs)	
PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
Secured Term Loans			
From Banks		24.69	45.95
	Total	24.69	45.95

16.1 Term loans from banks are secured against hypothecation of the specific vehicles.

16.2 Term loans from banks (for vehicles) are repayable as per various payment schedules. Last installment due in April 2029. Rate of Interest varies from 7.4% to 9.15% p.a. (31st March, 2022- 7.40% to 9.15% p.a.)

16.3 Breakup of amount due within 12 months (current) and after 12 months (non-current) is as under:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Non-Current	Current*	Non-Current	Current*
From Banks	24.69	26.86	45.95	34.68
Sub Total	24.69	26.86	45.95	34.68

* Considered in Current Borrowings (Note no. 20).

Note No. 17 : NON CURRENT PROVISIONS		(₹ in Lacs)	
PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
Provision for Employee Benefits (Refer note no. 34)			
For Gratuity		2058.89	2037.34
For Leave encashment		306.99	350.69
	Total	2365.88	2388.03

Note No. 18 : DEFERRED TAX LIABILITES (NET)		(₹ in Lacs)	
PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liability in relation to: (Refer note no. 33)			
Property, plant and equipment and intangible assets		3581.35	3784.64
Deferred Tax Asset in relation to:			
Provisions		1027.92	1017.79
Receivables and advances		119.05	95.84
Financial assets		63.26	83.28
Net Deferred Tax Liability		2371.12	2587.73

Note No. 19 : OTHER NON CURRENT LIABILITIES		(₹ in Lacs)	
PARTICULARS		As at 31st March, 2023	As at 31st March, 2022
Other non current liabilities		23.05	22.22
	Total	23.05	22.22

Notes forming part of standalone financial statements
Note No. 20 : CURRENT BORROWINGS
(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Secured		
Bank borrowings for working capital	750.50	2507.46
Current maturities of long term borrowings	26.86	34.68
Total	777.36	2542.14

20.1 Bank borrowings for working capital are repayable on demand.

20.2 Bank borrowings for working capital are secured by hypothecation of stocks, book debts and first charge on fixed assets of Insulator Division and are personally guaranteed by one of the directors.

20.3 Refer note no. 16 for long term borrowings.

20.4 Refer note no. 48 for deviation in quarterly returns and statements of current assets filed by the company with banks.

Note No. 21 : TRADE PAYABLES
(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Trade Payables		
Outstanding dues of micro enterprises and small enterprises	274.78	472.81
Outstanding dues of creditors other than micro enterprises and small enterprises	2892.85	3510.95
Total	3167.63	3983.76

21.1 Balances of trade payables are subject to reconciliation, confirmation and consequential adjustments, if any.

21.2 Dues to Micro, Small and Medium Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said MSMED Act are as follows:

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
a. The Principal amount remaining unpaid to any supplier at the end of the year	274.78	472.81
b. Interest due remaining unpaid to any supplier at the end of the year	-	-
c. Amount of interest paid by the Company in terms of section 16 of MSMED Act	-	-
d. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
e. Amount of interest accrued and remaining unpaid at the end of accounting year	-	-
f. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the company and has being relied upon by the auditors.

21.3 Refer note no 46 for ageing of trade payable.

Note No. 22 : OTHER CURRENT FINANCIAL LIABILITIES
(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Sundry deposits	77.14	70.88
Payable towards capital goods	15.42	40.61
Other payables	1498.97	1636.92
Total	1591.53	1748.41

22.1 Other payables include employees' dues and liability for expenses etc.

Notes forming part of standalone financial statements
Note No. 23 : CURRENT PROVISIONS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Provision for Employee Benefits (Refer note no. 34)		
For Gratuity	329.58	278.90
For Leave encashment	108.35	100.48
Total	437.93	379.38

Note No. 24 : OTHER CURRENT LIABILITIES

(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Advances received from customers	554.00	654.56
Statutory dues	119.86	132.70
Total	673.86	787.26

Note No. 25 : REVENUE FROM OPERATIONS

(₹ in Lacs)

PARTICULARS	Year Ended March, 2023	Year Ended March, 2022
Sale of products	42141.05	42757.63
Sale of services	168.19	205.87
Sale of traded goods	125.89	37.04
Other operating revenues	660.43	621.26
Total	43095.56	43621.80
25.1 Particulars of sale of products		
Insulators & metal fitting	37981.89	37835.23
EPC OHE Project	203.22	-
Towels & fabric	3936.14	4892.35
Yarn & waste	19.80	30.05
	42141.05	42757.63
25.2 Particulars of sale of services		
Job work Income	2.54	0.43
Path lab testing charges	165.65	205.44
	168.19	205.87
25.3 Particulars of traded goods		
Yarn	114.87	36.15
Advance ceramics / Sanitaryware items	11.02	0.89
	125.89	37.04
25.4 Particulars of other operating revenue		
Export incentives	476.60	421.66
Scrap sales	183.83	199.60
	660.43	621.26
25.5 Reconciliation of sale of products		
Revenue from contract with customer	42482.31	42959.74
Adjustment made to contract price on account of		
(a) Discounts / rebates / incentives	(10.87)	(8.84)
(b) Sales return	(330.39)	(193.27)
	42141.05	42757.63

Notes forming part of standalone financial statements
Note No. 26 : OTHER INCOME

(₹ in Lacs)

PARTICULARS	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
Foreign exchange fluctuation (net)	376.55	220.00
Liabilities and sundry balances written back (net)	356.15	(15.73)
Interest income	128.03	123.85
Profit on sale of property, plant and equipment (net)	36.88	258.32
Profit on sale of investment (net realized gain)	13.12	32.93
Allowance for bad and doubtful debts written back	57.28	95.10
Rent received	34.50	30.00
Miscellaneous income	531.55	451.86
Total	1534.06	1196.33

Note No. 27 : COST OF MATERIALS CONSUMED

(₹ in Lacs)

PARTICULARS	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
Raw materials at the beginning of the year	2281.70	2535.61
Add: Purchases	13359.93	13938.24
Less: Raw materials at the end of the year	3172.17	2281.70
Cost of materials consumed	12469.46	14192.15

Note No. 28 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE & STOCK IN PROCESS

(₹ in Lacs)

PARTICULARS	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
Inventories at the beginning of the year		
Finished goods	5735.87	5555.54
Stock-in-trade	31.09	32.31
Stock in process	3265.29	2390.98
	9032.25	7978.83
Inventories at the end of the year		
Finished goods	4605.36	5735.87
Stock-in-trade	1.84	31.09
Stock in process	2997.81	3265.29
	7605.01	9032.25
Total changes in inventories	1427.24	(1053.42)

Note No. 29 : EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

PARTICULARS	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
Salaries, wages, gratuity, bonus and allowances	6299.97	6474.79
Contribution to provident fund and other funds (Refer note no. 34)	586.71	594.25
Staff and labour welfare	66.79	59.08
Total	6953.47	7128.12

Note No. 30 : FINANCE COSTS

(₹ in Lacs)

PARTICULARS	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
Interest expenses	322.19	384.85
Other borrowing cost	93.08	134.90
Total	415.27	519.75

Notes forming part of standalone financial statements
Note No. 31 : OTHER EXPENSES

(₹ in Laacs)

PARTICULARS	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Manufacturing Expenses		
Power consumption (net)	2775.24	3015.95
Fuel consumption	5152.91	5570.11
Stores and spares consumption	3429.56	3558.17
Packing	2155.96	2453.75
Job charges	938.12	1203.74
Making up expenses	63.59	203.19
Repairs and maintenance:		
Plant and machinery	983.82	939.29
Buildings	385.92	426.14
Others	50.30	47.36
Other expenses	533.23	594.72
	16468.65	18012.42
Administrative Expenses		
Rent	75.76	70.18
Insurance	84.80	82.09
Rates and taxes	38.85	50.92
Travelling and conveyance	403.12	293.92
Legal and professional expenses	437.67	320.92
Telecommunication expenses	9.17	8.74
Directors fees (Refer note no. 36)	1.27	1.23
Corporate social responsibility (CSR) activities (Refer note no. 43)	50.23	52.13
Payment to Auditors		
for Audit fee	4.50	4.50
for Limited review	2.00	2.00
for Tax audit fee	1.60	1.60
for Expenses	1.02	0.86
Other expenses	557.28	467.20
	1667.27	1356.29
Selling Expenses		
Commission, rebates etc	87.69	126.15
Carriage outward(net)	1092.96	1331.85
Bad debts	123.58	-
Sales promotion and advertisement	92.70	23.57
Insulators testing charges	115.61	110.50
Other expenses	44.71	50.14
	1557.25	1642.21
Other Expenses		
Lease rent on land	0.07	0.14
Loss/(gain) on fair valuation of investment carried at FVTPL (net)	99.67	43.86
Brokerage and commission on shares	0.02	15.17
	99.76	59.17
Total	19792.93	21070.09

Notes forming part of standalone financial statements
Note No. 32 : EARNINGS PER SHARE

(₹ in Laacs)

PARTICULARS	Unit	Year Ended	
		31st March, 2023	31st March, 2022
Net profit for the year attributable to equity shareholders (Basic & diluted earnings per share)	₹ In Laacs	2829.46	2189.99
Weighted average number of equity shares outstanding	Nos.	4,71,43,900	4,71,43,900
Nominal value per share	₹	10	10
Earnings Per Share:			
– Basic	₹	6.00	4.65
– Diluted	₹	6.00	4.65

Note No. 33 : INCOME TAX
i) Tax expense recognised in Statement of Profit and Loss

(₹ in Laacs)

PARTICULARS	Year Ended	
	31st March, 2023	31st March, 2022
(a) Statement of Profit and Loss		
Current tax for the year	–	–
Deferred tax for the year	(225.77)	(135.85)
Income tax expense recognised in Statement of Profit and Loss	(225.77)	(135.85)
(b) Other Comprehensive Income		
Income tax on actuarial gain/loss on defined benefit plan	(9.16)	(1.19)
Income tax charged to Other comprehensive income	(9.16)	(1.19)

ii) Reconciliation of effective tax rate

(₹ in Laacs)

PARTICULARS	Year Ended	
	31st March, 2023	31st March, 2022
Profit before tax	2603.69	2054.14
Enacted tax rate in India	34.944%	34.944%
Current tax expenses on profit before tax at the enacted income tax rate in India	909.83	717.80
Tax effect of		
Expenses disallowed under Income Tax Act, 1961	6.02	(66.47)
Capital (gain)/loss (differential tax rate)	11.61	9.75
Income set off from brought forward losses pursuant to proposed amalgamation	(1158.34)	(852.48)
Others	5.11	55.55
Total tax expenses in the statement of profit and loss account	(225.77)	(135.85)
Effective Tax Rate	–8.67%	–6.61%

iii) The movement in deferred tax assets and liabilities
During the year ended 31st March, 2023

(₹ in Laacs)

PARTICULARS	As at	Recognised in Profit and Loss	Recognised in OCI	As at
	1st April, 2022			31st March, 2023
Property, plant and equipment and intangible assets	3784.64	(203.29)	–	3581.35
Provisions	(1017.79)	(19.29)	9.16	(1027.92)
Receivables and advances	(95.84)	(23.21)	–	(119.05)
Financial assets	(83.28)	20.02	–	(63.26)
Net Deferred Tax Liability	2587.73	(225.77)	9.16	2371.12

During the year ended 31st March, 2022

(₹ in Laacs)

PARTICULARS	As at	Recognised in Profit and Loss	Recognised in OCI	As at
	1st April, 2021			31st March, 2022
Property, plant and equipment and tangible assets	3918.01	(133.37)	–	3784.64
Provisions	(993.49)	(25.49)	1.19	(1017.79)
Receivables and advances	(85.62)	(10.22)	–	(95.84)
Financial assets	(116.51)	33.23	–	(83.28)
Net Deferred Tax Liability	2722.39	(135.85)	1.19	2587.73

Notes forming part of standalone financial statements

- iv) (a) Provision for taxation including interest estimated at ₹ 1762.36 lacs for the year ended 31st March, 2023 (31st March, 2022- ₹1306.15 Lacs; upto the year ₹ 7719.25 lacs) has not been made in accounts in view of the proposed amalgamation under the provisions of Companies Act, 2013.
- b) Company has claimed the losses pertaining to Modern Denim Limited in its income tax return from AY 2017-18, with which the company has proposed amalgamation. Income Tax Department has completed assessment for Assessment Year 2017-18 and 2018-19 and has disallowed such losses claimed pursuant to proposed amalgamation pending approval from concerned authorities. However, the Company has filed appeal against the said order before CIT (Appeals) which is pending. The Company is confident for favourable order as it has received relief in previous years in similar matter.
- v) Income tax department had completed assessments for A.Y. 2008-09 to 2018-19 wherein assessments on substantive basis were done with NIL liability by allowing losses of Modern Terry Towel Ltd. (the amalgamated entity) and simultaneously assessments on protective basis were also done (except for A.Y. 2014-15, 2016-17, 2017-18 and 2018-19) presuming that no amalgamation had taken place. Since amalgamation scheme have been sanctioned by the Hon'ble BIFR vide its order dated 28.07.2016, protective assessment orders passed by the department have become ineffective and substantive assessment orders are prevailed. However, effect of BIFR order is yet to be given by the department for which company is taking necessary steps. There is no recoverable demand as on date.

Note No. 34 : EMPLOYEE BENEFIT (AS PER ACTUARIAL VALUATION AS ON 31 ST MARCH-2023 AND 31 ST MARCH-2022)
i) Defined contribution plan

During the year company has recognised the following amounts in the statement of profit and loss account. (₹ in Lacs)

PARTICULARS	31st March, 2023	31st March, 2022
Benefits (Contributed to)		
Provident Fund	466.73	462.01
Employee State Insurance	51.30	57.09
National Pension Scheme	57.35	63.77
Group Insurance Scheme/DLI Contribution	11.33	11.38
Total	586.71	594.25

ii) Defined benefits plan
Gratuity

The Company provides gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation : (₹ in Lacs)

PARTICULARS	31st March, 2023	31st March, 2022
Present Value of obligation as at the beginning of the year	2316.24	2253.30
Current service cost	156.28	158.78
Interest cost	167.17	153.13
Past service cost	-	-
Actuarial (gain)/loss	(26.21)	(3.40)
Benefit paid	(225.01)	(245.57)
Present value of obligation as at the end of the year	2388.47	2316.24

Amount recognized in the balance sheet:

PARTICULARS	31st March, 2023	31st March, 2022
Present value of defined benefit obligation	2388.47	2316.24
Fair value of plan assets	-	-
Net liability	2388.47	2316.24
Amounts shown in the balance sheet		
Current liabilities	329.58	278.90
Non-current liabilities	2058.89	2037.34
Net liability	2388.47	2316.24

Amount recognized in Profit and Loss:

PARTICULARS	31st March, 2023	31st March, 2022
Current service cost	156.28	158.78
Past service cost	-	-
Interest cost	167.17	153.13
Total amount recognized in Profit and Loss:	323.45	311.91

Notes forming part of standalone financial statements

Amount recognized in other comprehensive income:		(₹ in Lacs)	
PARTICULARS	31st March, 2023	31st March, 2022	
Actuarial (gain)/Loss on Obligation	(26.21)	(3.40)	
Return on plan assets less interest on plan assets	-	-	
Total Actuarial (Gain)/Loss recognised in other comprehensive income	(26.21)	(3.40)	

Actuarial (Gain)/Loss on obligation consists:		(₹ in Lacs)	
PARTICULARS	31st March, 2023	31st March, 2022	
Actuarial (gain)/loss arising from change in demographic assumption	-	-	
Actuarial (gain)/loss arising from change in financial assumption	(27.49)	11.40	
Actuarial (gain)/loss arising from change in experience adjustment on plan liabilities	1.28	(14.80)	
Total Actuarial (Gain)/Loss on obligation	(26.21)	(3.40)	

Information for funded plans with a defined benefit obligation less than plan assets:		(₹ in Lacs)	
PARTICULARS	31st March, 2023	31st March, 2022	
Defined benefit obligation	2388.47	2316.24	
Fair value of plan assets	-	-	
Net Liability/(Assets)	2388.47	2316.24	

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:		(₹ in Lacs)	
PARTICULARS	31st March, 2023	31st March, 2022	
Present value of obligation at year end	2388.47	2316.24	
Fair value of plan assets at year end	-	-	
Funded status excess of actual over estimated.	(2388.47)	(2316.24)	
Assets/(Liabilities) recognized in the Balance Sheet	(2388.47)	(2316.24)	

iii) Defined benefit obligation
a) Actuarial assumption

The following were the principal actuarial assumptions at the reporting date.

PARTICULARS	31st March, 2023	31st March, 2022	
Discount rate*	7.38 & 7.32%	7.22 & 7.13%	
Expected return on plan assets			
Gratuity		NA	NA
Leave encashment		NA	NA
Salary escalation rate**	6.00% & 4.50%	6.00% & 4.50%	
Mortality rate inclusive of provision for disability	100% of IALM (2012-14)		

* The discount rate assumed is determined by reference to market yield at the balance sheet date on government bonds.

** The estimates of future salary increase considered in actuarial valuation, taking account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b) Sensitivity analysis

Reasonable possible change at the reporting date to one of the relevant actuarial assumption, holding other assumption constant, would have affected the defined benefit obligation by the amount shown below.

PARTICULARS	31st March, 2023		31st March, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(81.87)	87.67	(82.76)	88.70
Salary escalation rate (0.5% movement)	87.33	(82.58)	88.51	(81.53)

c) Expected Maturity analysis of the defined benefits plan in future years

Particulars	(₹ in Lacs)			
	First Year	Second Years	Third to Fifth years	More than 5 Years
Gratuity	329.58	220.58	532.62	1305.69

d) Risk exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow-
 - Salary Increase- Actual salary increase will increase the plan's liability. Increase in salary increase rate assumption in future valuations which also increase the liability.

Notes forming part of standalone financial statements

- Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can affect the liability.
- Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can affect the liabilities.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can affect liability.

iv) Long term employee benefit
Leave encashment

The company has a policy to pay leave encashment. Every employee is entitled to claim leave encashment after his/her retirement/termination which is calculated based upon no. of leaves earned. The company has a total provision for leave encashment as on 31st March, 2023- ₹ 415.34 Lacs and as on 31st March, 2022- ₹ 451.17 Lacs. Total expenses provided during the year 2022-23 is ₹ 44.48 Lacs and for the year 2021-22 ₹ 83.86 Lacs. Current Service Cost of ₹ 56.92 Lacs for the year 2022-23 and ₹ 69.35 Lacs for the year 2021-22 based on actuarial valuation.

Note No. 35 : SEGMENT INFORMATION
A. Primary segment reporting (by business segment)

The two identified segments are:

- (i) Insulators
- (ii) Terry Towels

(₹ in Lacs)

	31st March, 2023			31st March, 2022		
	Insulators	Terry Towels	Total	Insulators	Terry Towels	Total
1. Segment Revenue						
Revenue from operations	38956.89	4138.67	43095.56	38545.02	5076.78	43621.80
2. Segment results						
Profit before financial expenses	3401.25	(382.29)	3018.96	3006.94	(433.05)	2573.89
Less: financial expenses	415.27	-	415.27	519.75	-	519.75
Profit before tax	2985.98	(382.29)	2603.69	2487.19	(433.05)	2054.14
3. Capital employed						
Segment assets	42606.92	7870.58	50477.50	41633.44	9049.38	50682.82
Segment liabilities	10992.28	440.77	11433.05	13543.83	941.05	14484.88
Capital employed	31614.64	7429.81	39044.45	28089.61	8108.33	36197.94

B. Secondary segment reporting (by geographical segment)

The analysis of geographical segment is based on geographical location of the customers, which is domestic and export.

Revenue by geographical market

(₹ in Lacs)

	31st March, 2023			31st March, 2022		
	Insulators	Terry Towels	Total	Insulators	Terry Towels	Total
In India	21317.89	3834.18	25152.07	23409.60	4438.72	27848.32
Other than India	17639.00	304.49	17943.49	15135.42	638.06	15773.48
	38956.89	4138.67	43095.56	38545.02	5076.78	43621.80

Carrying amount of segment assets (Trade receivables)

	31st March, 2023			31st March, 2022		
	Insulators	Terry Towels	Total	Insulators	Terry Towels	Total
In India	4998.41	329.57	5327.98	5570.95	445.83	6016.78
Other than India	5151.03	-	5151.03	3964.14	29.46	3993.60
	10149.44	329.57	10479.01	9535.09	475.29	10010.38

Note No. 36 : RELATED PARTY DISCLOSURES AS PER IND AS 24
i) Name of related parties and description of relationship

- a) **Company which exercises significant influence**
Modern Denim Limited
- b) **Subsidiary Company**
Modern Metal High-Tech Components Pvt. Ltd - Wholly owned subsidiary
- c) **Joint Venture**
Shriji Designs MIL JV - Joint Venture Firm
SEC- MIL JV - Joint Venture Firm

Notes forming part of standalone financial statements
d) Key Management Personnel

Shri Sachin Ranka – Chairman & Managing Director
 Shri Shreyans Ranka – Whole Time Director
 Shri P.K.Gokhroo – Executive Director

e) Relatives of the Key Management Personnel & their enterprises where transactions have taken place

Shubham Corporate Advisory Services Pvt. Ltd.
 Modern Medisciences Private Limited
 H.S. Ranka Foundation
 Smt. Smriti Ranka
 Smt. Aditi Ranka

f) Independent Director/Non Executive Director

Shri R. Raniwala – Independent Director
 Shri S. K. Sharma – Independent Director
 Smt. Meenu Sacheti – Independent Director
 Shri Rahul Singhvi – Independent Director

ii) The following transactions were carried out with the related parties during the year :

(₹ in Lacs)

Description of the nature of the transactions	Name	Volume of transactions		Balance Outstanding	
		Year ended 31st March, 2023	Year ended 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
a) Company which exercises significant influence					
Purchase of goods	Modern Denim Ltd.	193.51	62.25	–	–
Loans & advances given (net)	Modern Denim Ltd.	415.00	758.00	5939.00	5524.00
Purchase Returns	Modern Denim Ltd.	–	–	–	–
Sale of goods	Modern Denim Ltd.	118.67	45.63	85.00	–
Job charges received	Modern Denim Ltd.	0.02	0.45	–	–
Reimbursement of power expenses	Modern Denim Ltd.	270.17	197.68	–	–
Rent income	Modern Denim Ltd.	35.40	35.40	–	–
Reimbursement of expenses(others)	Modern Denim Ltd.	1.44	0.89	–	–
b) Subsidiary Company					
Loan and advances given (net)	Modern Metal High-Tech Components Pvt. Ltd.	463.83	–	463.83	–
Reimbursement of power expenses	Modern Metal High-Tech Components Pvt. Ltd.	0.28	–	–	–
Rent Income	Modern Metal High-Tech Components Pvt. Ltd.	5.31	–	–	–
Sale of goods	Modern Metal High-Tech Components Pvt. Ltd.	0.12	–	–	–
Reimbursement of expenses (other)	Modern Metal High-Tech Components Pvt. Ltd.	0.05	–	–	–
c) Joint Venture					
Sale of goods/services	Shriji Designs MIL JV	14.28	68.99	–	–
Loans and advances given (net)	Shriji Designs MIL JV	26.68	(343.36)	301.80	275.12
Interest income	Shriji Designs MIL JV	35.34	68.63	35.34	68.63
d) Key Managerial Personnel					
Remuneration*	Shri Sachin Ranka	107.15	105.81	–	–
	Shri P.K. Gokhroo	76.40	72.34	–	–
	Shri Shreyans Ranka	36.16	35.64	–	–
e) Relatives of the key managerial personnel & their enterprises					
Sale of goods	Modern Medisciences P. Ltd.	0.46	–	–	–
Rent paid	Shubham Corporate Advisory Services Pvt. Ltd.	18.00	18.00	–	–
	Smt. Smriti Ranka	14.40	14.40	–	–
Remuneration*	Smt. Aditi Ranka	17.30	17.30	–	–
Contribution towards CSR activities	H.S. Ranka Foundation	37.00	30.35	–	–
f) Independent Directors/Non Executive Directors					
Sitting fees paid to independent directors	Shri Rahul Singhvi	0.32	0.40	–	–
	Shri R. Raniwala	0.78	0.70	–	–
	Smt. Meenu Sacheti	0.17	0.13	–	–

Notes forming part of standalone financial statements

Terms and conditions:

Related party relationships are as identified by the management and relied upon by the auditor.

All the transactions with related parties were made on normal commercial terms and conditions and at market rates. The above transactions are as per the approval of audit committee.

Decision relating to remuneration to key management personnel were taken based on the recommendation of Nomination and Remuneration committee.

*Expenses towards gratuity and leave encashment are determined actuarially on overall company basis at the end of each year and accordingly have not been considered in remuneration.

Note No. 37 : Contingent Liabilities

Contingent liabilities to the extent not provided for in respect of

PARTICULARS	₹ in Lacs	
	31st March, 2023	31st March, 2022
Guarantees given by bankers on behalf of the company	989.86	930.25
Outstanding letters of credit	35.58	400.57
Disputed liabilities, not acknowledged as debts	485.47	494.69
Disputed Income Tax demand (Deposited under protest ₹ 7.50 Lacs, 31st March, 2022- ₹ 7.50 Lacs)	7.50	7.50
Disputed Land Tax demand (Deposited under protest ₹ 15.70 Lacs, 31st March, 2022- ₹ 15.70 Lacs)	15.70	15.70
Disputed GST demand (Deposited under protest ₹ 2.75 Lacs, 31st March, 2022- ₹ Nil Lacs)	210.52	85.49
Doubtful advances to creditors	14.79	14.79

The Company, in respect of contingent liability, has assessed that it is not probable that outflow of economic resources will be required and hence not provided by the Company.

Note No. 38 : Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances ₹ 9.72 Lacs) ₹10.95 Lacs (31st March, 2022- ₹ 47.81 Lacs).

Note No. 39 : Capital Management

For the purpose of Company's Capital Management, capital includes issued equity share capital and other equity reserves attributable to equity holders. The primary objective of Company's Capital Management is to maximize shareholder's wealth. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of financial covenants.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholder. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investors, creditors and market confidence. The management and the Board of Directors monitors the return on capital. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Note No. 40 : Financial Risk Management

The Company's Financial Risk Management is an integral part of how to plan and execute its business strategies. The Company's financial risk management is set by the Managing Board. The Company's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include trade & other receivables, investments, cash and short term deposits.

i) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers and other counter parties, taking into account financial conditions, current economic trends and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed based on such information.

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables based on historical trend and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. The Company provides loss allowance on trade receivables using life time expected credit loss and as per simplified approach.

The ageing of trade receivables is as below:

PARTICULARS	₹ in Lacs	
	31st March, 2023	31st March, 2022
Not due	8328.43	8220.02
0-6 months	1853.76	1435.48
6 months to 12 months	102.85	135.50
1 year to 3 year	93.30	162.22
beyond 3 years	281.71	295.48
	10660.05	10248.70
Less: Allowance for bad and doubtful debts	181.04	238.32
Total	10479.01	10010.38

Financial assets are considered to be good quality and there is no significant increase in credit risk.

Notes forming part of standalone financial statements
Movement in allowance for doubtful debts

(₹ in Lacs)

PARTICULARS	31st March, 2023	31st March, 2022
Opening Balance	238.32	333.42
Allowances made	-	0.49
Allowance for bad and doubtful debts written back	(57.28)	(95.59)
Closing Balance	181.04	238.32

ii) Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts based on expected cash flows.

Maturity pattern of borrowings & other financial liabilities

As at 31st March, 2023

(₹ in Lacs)

Particulars	12 months or less	1-2 years	2-5 years	More than 5 years	Total
Borrowing	777.36	7.27	16.15	1.27	802.05
Trade payable	3167.63	-	-	-	3167.63
Other financial liabilities	1591.53	-	-	-	1591.53
Total	5536.52	7.27	16.15	1.27	5561.21

As at 31st March, 2022

(₹ in Lacs)

Particulars	12 months or less	1-2 years	2-5 years	More than 5 years	Total
Borrowing	2542.14	27.37	15.74	2.84	2588.09
Trade payable	3983.76	-	-	-	3983.76
Other financial liabilities	1748.41	-	-	-	1748.41
Total	8274.31	27.37	15.74	2.84	8320.26

iii) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

a) Foreign currency risk

The company operates internationally and portion of the business is transacted in several currencies and consequently the company is exposed to foreign exchange risk through its sales in overseas and purchase from overseas suppliers in various foreign currencies.

The company evaluate exchange rate exposure arising from foreign currency transaction and the company follow established risk management policies, including the use of derivative like foreign exchange forward contracts to hedge exposure to foreign risk.

Foreign currency derivatives and exposures not hedged
A. Foreign currency derivatives outstanding

(₹ in Lacs)

Name of Instrument	As at 31st March, 2023		As at 31st March, 2022	
	Foreign Currency (EURO)	INR	Foreign Currency (EURO)	INR
Forward Contract	-	-	-	-

B. Foreign currency exposure not hedged

As at 31st March, 2023

(Foreign currency in Lacs)

	USD	EURO	GBP
Trade receivable	50.22	11.88	-
Trade payable	1.99	0.87	-
As at 31st March, 2022			
	USD	EURO	GBP
Trade receivable	47.38	5.14	-
Trade payable	2.66	1.07	-

Foreign currency sensitivity

1% increase or decrease in foreign exchanges rates will have the following impact on profit before tax

(₹ in Lacs)

Particulars	31st March, 2023		31st March, 2022	
	1% increase	1% decrease	1% increase	1% decrease
USD	39.44	(39.44)	33.70	(33.70)
EURO	9.76	(9.76)	3.39	(3.39)
GBP	-	-	-	-

Notes forming part of standalone financial statements
b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk

PARTICULARS	31st March, 2023	31st March, 2022
Borrowings bearing floating rate of interest	750.50	2507.46

Interest rate sensitivity

PARTICULARS	31st March, 2023	31st March, 2022
100 bps increase which decrease the profit before tax by	(7.51)	(25.07)
100 bps decrease which increase the profit before tax by	7.51	25.07

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

Note No 41. Disclosure as per Ind AS- 27, separate financial statement

The company had entered into Joint Venture Agreement with Shriji Designs by incorporating new JV firm M/s Shriji Designs -MIL (JV) to participate in railways EPC tenders. The JV had been awarded tender for design, supply, erection, testing and commissioning of 25 KV OHE between sanwad-nimarkhedhi NTPC siding of western railway. As per the joint venture working agreement entered with Shriji Designs, execution is entirely in the scope of MIL and company has to pay 2% fees to JV partner. Accordingly 100% profit/loss of JV is part of the company.

The company had entered into Joint Venture Agreement with Sikka Engineering Company by incorporating new JV firm M/s SEC-MIL (JV) to participate in railways EPC tenders. As per the joint venture working agreement entered with Sikka Engineering execution of contract, if any awarded to JV firm will be entirely in the scope of MIL and company will pay 2.25% commission of contract value to JV partner.

Accounting method used for consolidation purpose - Equity Method

Nature of Business- Railway EPC

The Company's share of assets, liabilities, income and expenses of Joint Venture is as follows:

As at 31st March, 2023

(₹ in Lacs)

Particulars	Assets	Liabilities	Income	Expenses	Profit / (Loss)
Shriji Designs MIL JV	179.12	341.75	24.37	54.50	(30.13)
SEC-MIL JV	-	-	0.03	-	0.03

As at 31st March, 2022

(₹ in Lacs)

Particulars	Assets	Liabilities	Income	Expenses	Profit / (Loss)
Shriji Designs MIL JV	225.27	357.77	587.39	569.78	17.61
SEC-MIL JV	0.11	0.14	-	0.01	(0.01)

Note No 42. FAIR VALUE MEASUREMENT
i) Financial Instruments by category

As at 31st March, 2023

(₹ in Lacs)

Particulars	FVTPL	FVTOCI	Amortized Cost
Financial Assets:			
Investments			
– Equity Share	538.28	-	10.00
– Preference Share	-	-	-
– National saving certificate	-	-	0.01
Trade receivables	-	-	10479.01
Cash and cash equivalents	-	-	118.74
Bank balances other than cash & cash equivalents	-	-	338.26
Other non current financial assets	-	-	1074.26
Loans	-	-	6801.09
Other financial assets	-	-	324.97
Total financial assets	538.28	-	19146.34
Financial Liability:			
Borrowings	-	-	802.05
Trade payables	-	-	3167.63
Other financial liabilities	-	-	1591.53
Total financial liabilities	-	-	5561.21

Notes forming part of standalone financial statements

As at 31st March, 2022

(₹ in Lacs)

Particulars	FVTPL	FVTOCI	Amortized Cost
Financial Assets:			
Investments			
– Equity Share	1037.93	–	10.00
– Preference Share	–	–	–
– National saving certificate	–	–	0.01
Trade receivables	–	–	10010.38
Cash and cash equivalents	–	–	415.58
Bank balances other than cash & cash equivalents	–	–	288.26
Other non current financial assets	–	–	1096.30
Loans	–	–	6020.55
Other financial assets	–	–	260.15
Total financial assets	1037.93	–	18101.23
Financial Liability:			
Borrowings	–	–	2588.09
Trade payables	–	–	3983.76
Other financial liabilities	–	–	1748.41
Total financial liabilities	–	–	8320.26

ii) Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Valuation process to determine fair value

Specific valuation technique is used to determine the fair value of the financial instruments which include:

-Investment in unquoted equity shares- Lowest level input that is significant to the fair value measurement is unobservable.

Financial instrument measured at fair value

As at 31st March 2023

(₹ in Lacs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Equity Instruments	538.28	-	10.00	548.28
Total	538.28	-	10.00	548.28

As at 31st March 2022

(₹ in Lacs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Equity Instruments	1037.93	-	10.00	1047.93
Total	1037.93	-	10.00	1047.93

Fair Value of Financial instrument measured at Amortised Cost

The carrying amount of short term borrowings, trade payables, trade receivables, cash & cash equivalents and other financial assets and liabilities are considered the same as their Fair values, due to their short term nature.

Note No 43. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(i) As per section 135 of Companies Act, 2013 gross amount required to be spent by the company during the year 2022-23 - ₹ 50.23 Lacs (Previous Year 2021-22 ₹ 52.13 Lacs)

(ii) Amount spent on on-going projects by the company as at 31st March, 2023— ₹ Nil Lacs (as at 31st March-2022- ₹ Nil Lacs)

(iii) Amount spent on other than on-going projects

(₹ in Lacs)

CSR Activities	As at 31st March, 2023			As at 31st March, 2022		
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
i) Construction/Acquisition of any assets	–	–	–	–	–	–
ii) Purposes other than (i) above	50.23	–	50.23	52.13	–	52.13

Nature of CSR activities include promoting education ,development of vocational skills, distribution of food packets and promoting health care.

Notes forming part of standalone financial statements
Note No. 46 : AGEING OF TRADE PAYABLES

As on 31.03.2023

(₹ in Lacs)

Outstanding for period from due date of payments	MSME trade payables		Other than MSME trade payables		Total	
	Disputed	Undisputed	Disputed	Undisputed	Disputed	Undisputed
Not Due	-	253.83	-	1,678.31	-	1,932.14
Outstanding less than 1 years	-	20.95	-	1,020.64	-	1,041.59
Outstanding between 1 year to 2 years	-	-	-	19.16	-	19.16
Outstanding between 2 years to 3 years	-	-	-	15.46	-	15.46
Outstanding More than 3 years	-	-	-	159.28	-	159.28
Total	-	274.78	-	2892.85	-	3167.63

As on 31.03.2022

(₹ in Lacs)

Outstanding for period from due date of payments	MSME trade payables		Other than MSME trade payables		Total	
	Disputed	Undisputed	Disputed	Undisputed	Disputed	Undisputed
Not Due	-	381.53	-	2,039.90	-	2,421.43
Outstanding less than 1 years	-	91.28	-	1,032.19	-	1,123.47
Outstanding between 1 year to 2 years	-	-	-	79.50	-	79.50
Outstanding between 2 years to 3 years	-	-	-	53.54	-	53.54
Outstanding More than 3 years	-	-	-	305.82	-	305.82
Total	-	472.81	-	3510.95	-	3983.76

Note No. 47: RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Numerator description	Denominator description	As at 31st March, 2023	As at 31st March, 2022	% Variance	Reason for variance
Current Ratio	Current Assets	Current Liabilities	4.00	2.81	42.23%	Increased due to lesser bank borrowings for working capital
Debt equity ratio	Total Debt	Shareholder's Equity	0.001	0.001	-50.19%	Reduction in Debt
Debt Service coverage ratio	Earning for Debt Service = Net Profit after taxes means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income. + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Debt service = Interest & Lease Payments + Principal Repayments	104.23	74.93	39.09%	Increased due to higher profitability
Return on equity ratio	Net profit after taxes	Average Shareholders Equity	0.08	0.06	20.55%	-
Inventory Turnover Ratio	Cost of goods sold	Average inventory	2.54	2.64	-3.68%	-
Trade Receivable Turnover ratio	Revenue from Operations	Average Trade receivable	4.21	4.50	-6.42%	-
Trade Payable Turnover ratio	Total Purchases	Average Trade Payable	6.34	6.56	-3.30%	-
Net capital Turnover ratio	Revenue from Operations	Working Capital = Current Assets - Current Liabilities	2.16	2.55	-15.23%	-
Net profit ratio	Net profit after Tax	Revenue from Operations	0.07	0.05	30.78%	Increased due to higher profitability
Return on capital employed	Earnings before interest & Taxes	Capital Employed	0.08	0.07	8.74%	-
Return on Investment	Interest Income on bank deposit + Income from sale of current investments and reinstatement current investments (FVTPL) + int on loans	Average of bank deposit + current investments + loans given	0.02	0.06	-61.16%	Reduced mainly due to lower interest income & loss on reinstatement of current investments

Notes forming part of standalone financial statements
Note No. 48 : RECONCILIATION OF STATEMENTS SUBMITTED TO BANK FOR BORROWINGS SECURED AGAINST CURRENT ASSETS

As at 31st March, 2023

(₹ in Lacs)

Quarter	Name of Bank	Particulars of Security Provider	Amount as per book of Accounts	Amount as reported in Quarterly Statement	Difference in Amount	Reason for material Discrepancies
June, 2022	Central Bank of India & Punjab National Bank	Stock	10963.44	10963.44	-	
		Debtors	8660.01	8660.01	-	
		Creditors	3619.57	3619.57	-	
September, 2022		Stock	11479.42	11479.41	0.01	
		Debtors	7849.61	7849.61	-	
		Creditors	2934.51	2934.51	-	
December, 2022		Stock	11406.70	11406.70	-	
		Debtors	9388.01	9388.01	-	
		Creditors	2924.88	2924.88	-	
March, 2023	Stock	10400.40	10199.28	201.12		
	Debtors	10149.44	10118.99	30.45		
	Creditors	2859.69	2617.32	242.37		

As at 31st March, 2022

(₹ in Lacs)

Quarter	Name of Bank	Particulars of Security Provider	Amount as per book of Accounts	Amount as reported in Quarterly Statement	Difference in Amount	Reason for material Discrepancies
June, 2021	Central Bank of India & Punjab National Bank	Stock	10248.57	10175.22	73.35	
		Debtors	7332.77	7220.46	112.31	
		Creditors	3123.19	3614.99	(491.80)	
September, 2021		Stock	10659.76	10704.52	(44.76)	
		Debtors	6847.05	6769.30	77.75	
		Creditors	2888.06	3114.42	(226.36)	
December, 2021		Stock	10471.72	10475.21	(3.49)	
		Debtors	8165.64	8120.36	45.28	
		Creditors	3158.47	3338.65	(180.18)	
March, 2022		Stock	9968.16	10101.08	(132.92)	
		Debtors	9541.80	9421.67	120.13	
		Creditors	3094.92	3138.54	(43.62)	

There are no material discrepancies in quarterly statement submitted as compared to books of accounts.

Note No. 49 : OTHER STATUTORY INFORMATION

- (i) The company do not have any Benami property ,where any proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 as amended and rules made there under.
- (ii) The company have entered into transactions with following companies struck off under section 248 of Companies Act,2013 or section 560 of Companies Act, 1956.

Name of Party	Nature of Transactions	Balance Outstanding as on 31.03.2023	Balance Outstanding as on 31.03.2022	Relationship with the struck off Company, if any to be disclosed
Shree Siddhanth Cotex Pvt. Ltd.	Advance to supplier	-	(16.20)	No Relationship

- (iii) The company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iv) The company has not traded or invested in crypto currency or virtual currency during the financial year.
- (v) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies) ,including foreign entities (intermediaries) with the understanding that the intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate beneficiaries) or
 - provide any guarantee ,security or the like on behalf of the ultimate beneficiaries.
- (vi) The company has not received any fund from any other person(s) or entity(ies) ,including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall:
- directly or indirectly lend or or invest in other persons or entities identified in any manner whatsoever by or on behalf of funding party (Ultimate beneficiaries) or
 - provide any guarantee ,security or the like on behalf of the ultimate beneficiaries.
- (vii) The company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act,1961 such as ,search or survey or any other relevant provisions of the Income Tax Act,1961.
- (viii) The Company has not been declared as willful defaulter by any bank or financial institution or other lenders in accordance with the guidelines issued by Reserve Bank of India.

Note No. 50: The Company has a process whereby periodically all long term contracts (including derivative contract) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

Note No. 51. The Financials Statements were approved for issue by the directors on 29th May, 2023.

Note No 52. Figures for previous years have been regrouped/rearranged/restated wherever considered necessary to make them comparable with the figures for the current year.

As per our report of even date attached

For R B Verma & Associates
 Chartered Accountants
 Firm Registration No. 012650C

Rajesh Verma
 Partner
 Membership No. 404029
 Place : Abu Road
 Date : 29th May, 2023

For and on behalf of the Board

Sachin Ranka	– Chairman & Managing Director	(DIN : 00335534)
Shreyans Ranka	– Whole-Time Director	(DIN : 06470710)
P.K. Gokhroo	– Executive Director	(DIN : 06810797)
R. Raniwala	– Independent Director	(DIN : 00506419)
S.K. Sharma	– Independent Director	(DIN : 01378040)
Rahul Singhvi	– Independent Director	(DIN : 08816920)
Meenu Sacheti	– Independent Director	(DIN : 02266703)
D.S. Singhvi	– Chief Financial Officer	

INDEPENDENT AUDITOR'S REPORT

To the members of **Modern Insulators Limited**

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of **Modern Insulators Limited** (the 'Holding Company') and its Subsidiary Company (the Holding Company and its Subsidiary together referred to as the 'Group') and its Joint Ventures, which comprise the Consolidated Balance Sheet as at **31 March 2023**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the 'Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the reports of the other auditors on separate financial statements and on the other financial information of the Subsidiary and Joint Ventures referred to in "Other Matters" section of our report, and except for the effect of the matters described in "Basis for Qualified Opinion" section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, of the consolidated state of affairs of the Group and its Joint Ventures as at 31 March 2023, their consolidated profit (including Other Comprehensive Income), their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

Provision for taxation including interest estimated at Rs.1762.36 Lacs for the year ended 31 March 2023 (Previous Year Rs.1306.15 Lacs; upto the year Rs.7719.25 Lacs) has not been made in accounts of the Holding Company in view of the proposed amalgamation under the provisions of Companies Act, 2013. (Refer note no. 34(iv)(a))

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group and its Joint Ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their report referred to in "Other matters" section of our report, is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of the other auditors on separate financial statements and other financial information of Subsidiary and Joint Ventures, were of most significance in our audit of the consolidated financial statements for the year ended 31 March 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion, on these matters. In addition to what has been stated in the "Basis for Qualified Opinion" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the Key Audit Matter
Measurement, presentation and disclosure of allowance for Expected Credit Losses (ECL) on trade receivables <ul style="list-style-type: none"> The Company is required to recognize allowance for ECL on trade receivables due to the credit risks associated with each individual trade receivable. Management determines the allowance for ECL on trade receivables by reviewing customers ageing profile, historical loss adjusted to reflect current and estimated future economic conditions, credit history and suit filed cases for additional allowance. The determination of allowance for ECL is subjective and requires management to make judgements and assumptions, hence this is considered as key audit matter. Refer note no. 1, 1A and 7 to the consolidated financial statements.	Our audit procedures included, but were not limited to the following: <ul style="list-style-type: none"> Tested effectiveness of controls with respect to (i) development of methodology for allowance for expected credit losses, (ii) completeness and accuracy of the information used and (iii) computation of allowance for expected credit losses. Tested sample of the data used in the model to the underlying accounting records. Evaluated the ECL model calculations, agreeing the data inputs and checking the mathematical accuracy of the calculations. Assessed the key inputs and assumptions used Assessed whether the disclosures in the financial statements are adequate.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors / Management is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements, standalone financial statements and our auditor's reports thereon.

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

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

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors / Management is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the Group and its Joint Ventures in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors / Management is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation and presentation of consolidated financial statements.

Further in terms of the provisions of the Act, the respective Board of Directors / Management of the Subsidiary Company and Joint Ventures are responsible for maintenance of adequate accounting records in accordance

with the provisions of the Act for safeguarding of the assets of the Group and its Joint Ventures 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors / Management of the Subsidiary Company and Joint Ventures are responsible for assessing the ability of Group and its Joint Ventures, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Board of Directors / Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors / Management of the companies included in the Group and its Joint Ventures, are also responsible for overseeing the financial reporting process of companies included in the Group and its Joint Ventures.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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 Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Board of Directors / Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Joint Ventures 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 upto the date of our auditor's report. However, future events or conditions may cause the Group and its Joint Ventures to cease to continue as a going concern.

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

We communicate with those charged with governance of the Holding Company and such other entities included in consolidated financial statements of which we are independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended 31 March 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the annual financial statements of the one Subsidiary Company and two Joint Ventures, consolidated in the financial statements, and which have been audited by their respective independent auditors, whose financial information (before eliminating intercompany balances/ transactions) are as under:

- (i) One Subsidiary Company having total assets of Rs.529.09 Lacs as at 31 March 2023, total revenue Rs.NIL, net loss after tax Rs.0.08 Lacs, total comprehensive loss of Rs.0.08 Lacs and cash inflow (net) of Rs.24.66 Lacs for the year ended as on 31 March 2023, as considered in the financial statements.
- (ii) Two Joint Ventures having total assets of Rs.179.12 Lacs as at 31 March 2023, total revenue of Rs.24.40 Lacs, net loss after tax Rs.30.10 Lacs for the year ended as on 31 March 2023, as considered in the financial statements.

These annual financial statements have been audited by other auditors whose audit reports have been furnished to us by the Holding Company's Board of Directors, and our opinion on consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Subsidiary and Joint Ventures, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforementioned Subsidiary and Joint Ventures, are based solely on the audit reports of such other auditors.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Companies Act, 2013, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and the other financial information of Subsidiary Company and Joint Ventures, as noted in the "Other Matters" section of our report, we report, to the extent applicable, that:

- a) We and the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) Except for the effects of the matter described in the "Basis for Qualified Opinion" section, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act;
- e) On the basis of written representations received from the directors of the Holding Company as on 31 March 2023 and taken on record by the Board of Directors of Holding Company and the reports of statutory auditors of Subsidiary Company covered under the Act, none of the directors of the Group companies are disqualified as on 31 March 2023, from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its Subsidiary covered under the Act and the operating effectiveness of such controls, under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013, refer to our report in Annexure A;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Holding Company to its directors is in accordance with the provisions of section 197 of the Act. Further Subsidiary Company covered under the Act has not paid / provided for any managerial remuneration during the year.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and other financial information of Subsidiary Company and Joint Ventures:
- The consolidated financial statements has disclosed the impact of pending litigations on consolidated financial position of the Group and its Joint Ventures in consolidated financial statements. (Refer note no. 38)
 - The Group and its Joint Ventures has made provisions, as required under the applicable law and Ind AS for material foreseeable losses, if any, on long term contracts including derivative contracts. (Refer note no. 51)
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary.
- iv) (a) The respective Board of Directors / Management of Holding Company and its Subsidiary have represented that, to the best of their knowledge and belief, as disclosed in note no. 50(v), no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective Board of Directors / Management of Holding Company and its Subsidiary have represented, that, to the best of their knowledge and belief, as disclosed in note no. 50(vi), no funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of Subsidiary Company, nothing has come to our or other auditor's notice that has caused us or other auditor's to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.
- v) Since the Holding Company and its Subsidiary has not declared or paid any dividend during the year ended 31 March 2023, the question of commenting upon the same does not arise.
- With respect to the matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013, to be included in the auditor's report, and according to the information and explanations given to us, and based on CARO report issued by us for the Holding Company and considering the CARO report issued by other auditors of Subsidiary Company included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **R B Verma & Associates**
 Chartered Accountants
 Firm Registration No.012650C

Rajesh Verma
 Partner

Place : Abu Road
 Date : 29th May, 2023

Membership No.404029
 UDIN - 23404029BGXOLC4636

ANNEXURE A FORMING PART OF THE INDEPENDENT AUDITOR'S REPORT

Referred to in the report of even date of the Auditors to the members of Modern Insulators Limited on Consolidated Financial Statements

We have audited the internal financial controls with reference to consolidated financial statements of **Modern Insulators Limited** (the 'Holding Company') and its Subsidiary Company (the Holding Company and its Subsidiary together referred to as the 'Group') as of **31 March 2023** in conjunction with our audit of the consolidated financial statements of Modern Insulators Limited (the 'Holding Company') and its Subsidiary which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors / Management of Holding Company and its Subsidiary are responsible for establishing and maintaining internal financial controls based on the internal financial controls over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance

Note”) issued by the Institute of Chartered Accountants of India (the ‘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 (the ‘Act’).

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of Holding Company and its Subsidiary based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial control with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in “Other Matters” section below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of Holding Company and its Subsidiary, as aforesaid.

Meaning of Internal Financial Controls with reference to financial statements

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A Company’s internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding

prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Other Matters

We did not audit the internal financial controls with reference to financial statements of the one Subsidiary Company, consolidated in the financial statements, whose financial statements (before eliminating intercompany balances/transactions) having total assets of Rs.529.09 Lacs as at 31 March 2023, total revenue Rs.NIL, net loss after tax Rs.0.08 Lacs, total comprehensive loss of Rs.0.08 Lacs and cash inflow (net) of Rs.24.66 Lacs for the year ended as on 31 March 2023, as considered in the financial statements.

The internal financial controls with reference to financial statements in so far as it relates to such Subsidiary Company have been audited by other auditors whose reports has been furnished to us by the Holding Company’s Board of Directors and our report of adequacy and operating effectiveness of the internal financial controls with reference to financial statements for Holding Company and its Subsidiary, under section 143(3)(i) of the Act, in so far as it relates to Subsidiary Company, is based solely on the reports of the auditors of such company.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the reports of other auditors, the Holding Company and its Subsidiary have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial control over financial reporting criteria established by the Holding Company and its Subsidiary considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **R B Verma & Associates**
 Chartered Accountants
 Firm Registration No. 012650C

Rajesh Verma
 Partner

Place – Abu Road
 Date – 29th May, 2023

Membership No. 404029
 UDIN – 23404029BGXOLC4636

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-current assets			
(a) Property, plant & equipment	2	16813.29	17468.17
(b) Capital work-in-progress	2	368.02	-
(c) Intangible assets	2	14.96	12.64
(d) Financial assets			
(i) Investments	3	0.01	0.01
(ii) Loans	4	5939.00	5524.00
(iii) Other financial assets	5	1074.26	1096.30
(e) Other non-current assets	6	79.12	-
Total Non-current assets		<u>24288.66</u>	<u>24101.12</u>
Current assets			
(a) Inventories	7	11729.65	12283.33
(b) Financial assets			
(i) Trade receivables	8	10479.01	10010.38
(ii) Cash and cash equivalents	9	144.63	417.80
(iii) Bank balance other than cash and cash equivalents	10	443.22	389.23
(iv) Investments	11	538.28	1037.93
(v) Loans	12	61.12	152.80
(vi) Other financial assets	13	379.43	303.36
(c) Other current assets	14	2306.24	1858.61
Total Current assets		<u>26081.58</u>	<u>26453.44</u>
TOTAL ASSETS		<u>50370.24</u>	<u>50554.56</u>
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	4714.39	4714.39
(b) Other equity	16	34152.98	31341.15
Equity attributable to owners		<u>38897.37</u>	<u>36055.54</u>
Non-controlling interest		-	-
Total Equity		<u>38897.37</u>	<u>36055.54</u>
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	24.69	45.95
(b) Provisions	18	2365.88	2388.03
(c) Deferred tax liabilities (Net)	19	2371.12	2587.73
(d) Other non-current liabilities	20	23.05	22.22
Total Non-current liabilities		<u>4784.74</u>	<u>5043.93</u>
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	777.36	2542.14
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	22	274.78	472.81
- Total outstanding dues of creditors other than micro enterprises and small enterprises	23	2893.39	3516.76
(iii) Other financial liabilities	24	1656.29	1749.02
(b) Provisions	25	437.93	379.38
(c) Other current liabilities	24	678.38	794.98
Total Current liabilities		<u>6718.13</u>	<u>9455.09</u>
TOTAL EQUITY AND LIABILITIES		<u>50370.24</u>	<u>50554.56</u>

Significant accounting policies**Other notes on consolidated financial statements**
1
33 to 53

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached

For R B Verma & Associates
 Chartered Accountants
 Firm Registration No. 012650C

Rajesh Verma
 Partner
 Membership No. 404029

 Place : Abu Road
 Date : 29th May, 2023

For and on behalf of the Board of Directors

Sachin Ranka	- Chairman & Managing Director	(DIN : 00335534)
Shreyans Ranka	- Whole-Time Director	(DIN : 06470710)
P.K. Gokhroo	- Executive Director	(DIN : 06810797)
R. Raniwala	- Independent Director	(DIN : 00506419)
S.K. Sharma	- Independent Director	(DIN : 01378040)
Rahul Singhvi	- Independent Director	(DIN : 08816920)
Meenu Sacheti	- Independent Director	(DIN : 02266703)
D.S. Singhvi	- Chief Financial Officer	

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ in Lacs)

Particulars	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
Income			
Revenue from operations	26	43095.56	44161.77
Other income	27	1510.28	1178.18
Total Income		<u>44605.84</u>	<u>45339.95</u>
Expenses			
Cost of materials consumed	28	12477.99	14474.44
Purchase of stock-in-trade		99.80	34.33
Changes in inventories of finished goods, stock-in-trade & stock-in-process	29	1427.24	(1006.58)
Employee benefits expense	30	6953.47	7195.06
Finance costs	31	415.27	519.75
Depreciation and amortization expense	2	867.99	873.48
Other expenses	32	19795.07	21187.56
Total Expenses		<u>42036.83</u>	<u>43278.04</u>
Profit before exceptional items and tax		<u>2569.01</u>	<u>2061.91</u>
Exceptional items		-	-
Profit before tax		<u>2569.01</u>	<u>2061.91</u>
Tax Expense			
Current tax		-	-
Deferred tax		(225.77)	(135.85)
Total tax expenses		<u>(225.77)</u>	<u>(135.85)</u>
Profit for the year		<u>2794.78</u>	<u>2197.76</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Actuarial gain/(loss) on defined benefit plan		26.21	3.40
Income tax relating to above		(9.16)	(1.19)
Total other comprehensive income for the year (net of tax)		<u>17.05</u>	<u>2.21</u>
Total comprehensive income for the year		<u>2811.83</u>	<u>2199.97</u>
Profit attributable to:			
Owners		2794.78	2197.76
Non-controlling interest		-	-
		<u>2794.78</u>	<u>2197.76</u>
Other Comprehensive income/(Loss) attributable to:			
Owners		17.05	2.21
Non-controlling interest		-	-
		<u>17.05</u>	<u>2.21</u>
Total Comprehensive income attributable to:			
Owners		2811.83	2199.97
Non-controlling interest		-	-
		<u>2811.83</u>	<u>2199.97</u>
Earnings per equity share (face value ₹ 10 per share)	33		
Basic (₹)		5.93	4.66
Diluted (₹)		5.93	4.66
Significant accounting policies	1		
Other notes on consolidated financial statements	33 to 53		

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached

For R B Verma & Associates
 Chartered Accountants
 Firm Registration No. 012650C

Rajesh Verma
 Partner
 Membership No. 404029
 Place : Abu Road
 Date : 29th May, 2023

For and on behalf of the Board of Directors

Sachin Ranka – Chairman & Managing Director (DIN : 00335534)
 Shreyans Ranka – Whole-Time Director (DIN : 06470710)
 P.K. Gokhroo – Executive Director (DIN : 06810797)
 R. Raniwala – Independent Director (DIN : 00506419)
 S.K. Sharma – Independent Director (DIN : 01378040)
 Rahul Singhvi – Independent Director (DIN : 08816920)
 Meenu Sacheti – Independent Director (DIN : 02266703)
 D.S. Singhvi – Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Lacs)

PARTICULARS	Year ended 31st March, 2023	Year ended 31st March, 2022
A. Cash Flow from Operating Activities		
Profit before tax	2569.01	2061.91
Adjustments for:		
– Depreciation and amortisation expenses	867.99	873.48
– Provisions	62.61	67.37
– Foreign exchange fluctuation (net)	62.59	62.56
– Profit on disposal of property, plant and equipment	(36.88)	(258.32)
– Finance costs	415.27	519.75
– Loss/(profit) on fair valuation of investment carried at fair value through profit and loss (FVTPL)	99.67	43.86
– Interest income received	(94.91)	(56.64)
Operating profit before working capital changes	3945.35	3313.97
Adjustment for		
– Trade and other receivables	(1086.87)	(457.27)
– Inventories	553.68	(619.07)
– Other non-current assets	(79.12)	-
– Trade and other payables	(1029.90)	(852.31)
Net Cash from Operating Activities (A)	2303.14	1385.32
B. Cash Flow from Investing Activities		
– Proceeds from sale of property, plant and equipment	56.74	324.39
– Purchase of property, plant and equipment (including capital work-in progress)	(603.31)	(236.16)
– Loans and advances given (net)	(323.32)	(815.66)
– Interest income received	94.91	56.64
– Proceeds from sale of equity shares/mutual fund	399.98	(149.84)
Net Cash used in Investing Activities (B)	(375.00)	(820.63)
C. Cash Flow from Financing Activities		
– Repayment of long term borrowings (net)	(29.08)	(12.66)
– Repayment of short term borrowings (net)	(1756.96)	234.01
– Interest Paid	(415.27)	(519.75)
Net cash used in Financing Activities (C)	(2201.31)	(298.40)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(273.17)	266.29
Cash and cash equivalents at the beginning of the year	417.80	151.51
Cash and cash equivalents at the close of the year	144.63	417.80
Cash and Cash Equivalent includes:-		

Particulars	As at 31.03.2023	As at 31.03.2022
Cash on hand	14.26	15.67
With Banks		
– In current accounts	82.69	335.26
– In deposit accounts maturing within 3 months	47.68	66.87
Total	144.63	417.80

The accompanying notes form an integral part of the consolidated financial statements.

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

As per our report of even date attached

For R B Verma & Associates
 Chartered Accountants
 Firm Registration No. 012650C

Rajesh Verma
 Partner
 Membership No. 404029
 Place : Abu Road
 Date : 29th May, 2023

For and on behalf of the Board of Directors

Sachin Ranka – Chairman & Managing Director (DIN : 00335534)
 Shreyans Ranka – Whole-Time Director (DIN : 06470710)
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 S.K. Sharma – Independent Director (DIN : 01378040)
 Rahul Singhvi – Independent Director (DIN : 08816920)
 Meenu Sacheti – Independent Director (DIN : 02266703)
 D.S. Singhvi – Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A. Equity Share Capital

(₹ in Lacs)

As at 1st April, 2021	4714.39
Changes in equity share capital due to prior period errors	–
Restated balance at the beginning of the current reporting period	4714.39
Changes in equity share capital during the current Year	–
As at 31st March, 2022	4714.39
As at 1st April, 2022	4714.39
Changes in equity share capital due to prior period errors	–
Restated balance at the beginning of the current reporting period	4714.39
Changes in equity share capital during the current Year	–
As at 31st March, 2023	4714.39

B. Other Equity

(₹ in Lacs)

Particulars	Reserves and Surplus			Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings	
Balance as at 1st April, 2021	2911.45	1285.87	24943.86	29141.18
Profit for the year	–	–	2197.76	2197.76
Other comprehensive income	–	–	2.21	2.21
Total Comprehensive Income for the Year	–	–	2199.97	2199.97
Balance as at 31st March, 2022	2911.45	1285.87	27143.83	31341.15
Non Controlling Interest	–	–	–	–
Balance as at 31st March, 2022	2,911.45	1,285.87	27143.83	31341.15
Balance as at 1st April, 2022	2911.45	1285.87	27143.83	31341.15
Profit for the year	–	–	2794.78	2794.78
Other comprehensive income	–	–	17.05	17.05
Total Comprehensive Income for the Year	–	–	2811.83	2811.83
Balance as at 31st March, 2023	2911.45	1285.87	29955.66	34152.98
Non Controlling Interest	–	–	–	–
Balance as at 31st March, 2023	2911.45	1285.87	29955.66	34152.98

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached

For R B Verma & Associates
 Chartered Accountants
 Firm Registration No. 012650C

Rajesh Verma
 Partner
 Membership No. 404029
 Place : Abu Road
 Date : 29th May, 2023

For and on behalf of the Board of Directors

Sachin Ranka	– Chairman & Managing Director	(DIN : 00335534)
Shreyans Ranka	– Whole-Time Director	(DIN : 06470710)
P.K. Gokhroo	– Executive Director	(DIN : 06810797)
R. Raniwala	– Independent Director	(DIN : 00506419)
S.K. Sharma	– Independent Director	(DIN : 01378040)
Rahul Singhvi	– Independent Director	(DIN : 08816920)
Meenu Sacheti	– Independent Director	(DIN : 02266703)
D.S. Singhvi	– Chief Financial Officer	

Notes forming part of consolidated financial statements

Significant accounting policies

CORPORATE INFORMATION

Modern Insulators Limited (the 'Company or the Holding Company'), its subsidiary and joint venture (the Holding Company and its subsidiary and joint venture together referred to as the 'Group') engaged in the business of manufacturing insulators, terry towels and EPC projects.

Note no. 1: Significant Accounting Policies

(a) Basis of preparation

- (i) The Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods in the Financial Statements.
- (ii) The Financial Statements are prepared on accrual basis under the historical cost convention except (i) Claims of customers & others which are accounted for as and when paid/settled and (ii) financial assets and liabilities (including derivatives instruments) that are measured at fair value as required by relevant Ind AS. The methods used to measure fair values are discussed in notes to financial statements.
- (iii) The preparation of financial statements requires judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimated. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Major estimates are discussed in Note No. 1A.

(b) Functional and presentation currency

These financial statements are presented in Indian Rupees, which is the functional currency of the group and the currency of the primary economic environment in which the group operates.

(c) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

(ii) Joint Ventures

Investments in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(iii) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in statement of profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Such further losses are disclosed as part of Current Liabilities. Unrealised gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(d) Classification of assets and liabilities into current and non-current

The Group has ascertained its operating cycle as twelve months for the purpose of Current and Non-Current classification of its Assets and Liabilities. Classification is done in accordance with Schedule III Division II of the Companies Act, 2013.

For the purpose of Balance Sheet, an asset is classified as current when:

- (i) It is expected to be realised or intended to be sold or consumed in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is expected to be realised within twelve months after the reporting period; or
- (iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current when:

- (i) It is expected to be settled in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

(e) Property, Plant & Equipment (PPE)

Freehold land is carried at Cost. All other items of Property, plant and equipment (PPE) are stated at acquisition or construction cost less accumulated depreciation / amortisation and impairment loss. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Group in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Subsequent expenditure incurred after the PPE have been put into operations is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Items such as spare parts, standby equipments and servicing equipments are recognised as PPE when it is held for use in the production or supply of goods or services or for administrative purpose and are expected to be used for more than one year. Otherwise such items are classified as inventory.

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

(f) Expenditure during construction period

Expenditure, net of income earned, during construction (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) period is included under capital work-in-progress and the same is allocated to the respective PPE on the completion of construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other Non Current Assets”

(g) Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical evaluation. Leasehold lands are amortised over the lease term unless it is reasonably certain that the Group will obtain ownership by the end of lease term.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Group or the number of production or similar units expected to be obtained from the asset by the Group.

In case of certain classes of PPE, the Group uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical evaluation, taking into consideration the nature of the PPE and the estimated usage of the asset on the basis of management’s best estimation of obtaining economic benefits from those classes of assets.

The useful life considered for calculation of depreciation / amortisation for various Asset class are as under:

S.No.	Asset class	Useful life
1.	Leasehold Assets	Lease period
2.	Factory Building	4-30 Years
3.	Non- factory building	4-60 Years
4.	Plant & Machinery	1-30 Years
5.	Furniture & Fixtures	2-10 Years
6.	Office equipments	0-5 Years
7.	Vehicles	2-10 Years

Based on technical evaluation, management believes that the useful life as given above best represent the period over which the management expects to use these assets.

Depreciation on additions is provided on a pro-rata basis from the date of installation or acquisition and in case of Projects from the date of commencement of commercial production.

Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

(h) Intangible assets and amortization

Internally generated intangible assets

Expenditure incurred on development is capitalized if such expenditure leads to creation of any intangible asset, otherwise, such expenditure is charged to the Statement of Profit and Loss. PPE procured for research and development activities are capitalised.

Intangible assets acquired separately

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment loss, if any. The Group determines the amortisation period as the period over which the future economic benefits will flow to the Group after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

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

The useful life considered for calculation of depreciation / amortisation for various Asset class are as under:

Asset class	Useful life
Computer Software	1-3 Years

Based on technical evaluation, management believes that the useful life as given above best represent the period over which the management expects to use these assets.

Intangible asset having definite life are amortised on systematic basis over their useful life. If life of any intangible asset is indefinite then it is not amortised but tested for impairment loss at the end of each reporting date.

(i) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, development or erection of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use and borrowing cost are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value. Raw material, stores and spare parts and packing materials are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted average basis.

Cost of finished goods and work- in- progress includes cost of conversion based on normal capacity and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Spare parts, other than those capitalised as PPE are carried as inventories.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained after review and if found material, suitable provision is made / written down based on technical evaluation, its recoverable value and management’s best estimate.

(k) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash in hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

(l) Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received and all associated conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on a systematic basis over the expected useful life of the related asset.

(m) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligations. Provisions are reviewed at each reporting date and are adjusted to reflect the management's best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed 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 Group. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Claims against the Group where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(n) Foreign currency transactions and translations

Transactions in foreign currencies, other than the Group's functional currency are recognised at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which these arise.

(o) Revenue recognition

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised goods or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- (i) The customer simultaneously receives and consumes the benefits provided by the Group's performance; or

- (ii) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (iii) The Group's performance does not create an asset with an alternative use to the Group and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions is not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

If the Group has any contract wherein the period between transfer of the promised goods or services to the customer and payment by the customer exceeds one year, transaction price is adjusted for the time value of money.

(p) Other operating revenues / other income

- (i) Income from services is recognized (net of GST as applicable) based on the services rendered in accordance with the terms of contracts.
- (ii) For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset.
- (iii) Interest income for all financial instruments measured at fair value through other comprehensive income is recognized in the statement of profit and loss.
- (iv) Dividend income is accounted for when the right to receive the income is established.
- (v) Export incentives under various schemes are recognized in the year of export.

(q) Employee Benefits**Short term employee benefits**

Short-term employee benefit obligations are recognized as an expense on accrual basis.

Defined contribution plans

Defined contribution plans are those plans in which an entity pays fixed contribution into separate entities and will have no legal or constructive obligation to pay further amounts. Provident fund and employee state insurance are defined contribution plans in which group pays a fixed contribution and will have no further obligation.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Group pays Gratuity as per provisions of the Payment of Gratuity Act, 1972. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a liability to the Group, the present value of liability is recognized as provision for employee benefit. Any actuarial gains or losses are recognized in Other Comprehensive Income in the period in which they arise.

Other long-term employee benefits

Benefits under the Group's leave encashment constitute other long term employee benefits.

The Group's net obligation in respect of leave encashment is the amount of future benefits that employees have earned in return for

their service in the current and prior periods, that benefit is discounted to determine its present value and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in the Statement of profit and loss in the period in which they arise.

(r) Research and development expenditure

Revenue expenditure on research and development is charged as an expense in the year in which it is incurred under the respective heads of accounts. Expenditure which results in the creation of capital assets is capitalised and depreciation is provided on such assets as applicable.

(s) Income taxes

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset, if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable.

Income tax expenses relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement Profit and Loss.

(t) Leases

Leases are classified as finance leases, when the terms of the lease, transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating Leases.

Operating Lease: Lease rentals are charged or recognised in the statement of profit and loss on a straight-line basis over the lease term.

Finance Lease: Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease obligation. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's policy on borrowing costs.

(u) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of 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 assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(v) Impairment of financial assets

At the end of each reporting period, the Company applies the expected credit loss model for recognizing the impairment loss on financial assets including trade receivables. Expected credit loss is the difference between the contractual cash flows and the cash flows the entity expects to receive using effective interest rate.

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses. For other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses unless there is significant increase in the credit risk from initial recognition in which case those are measured at lifetime expected credit losses. Lifetime expected credit losses are expected credit losses that result from all possible defaults over the expected life of financial instrument. Lifetime expected credit losses are computed based on provision matrix which takes into account historical credit losses adjusted for forward looking information, suit filed cases and credit information of customers.

(w) Segment reporting

Identification of Segments

Operating Segments are identified based on monitoring of operating results by the Board of Directors separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss of the Group.

Operating Segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system.

Segment Policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

(x) Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest prior period presented, the opening balances of assets, liabilities and equity for the earliest prior period presented, are restated.

(y) Earnings Per Share (EPS)

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(z) Fair value Measurement

The Group measures financial instruments, such as investments and derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair values are categorized into different levels in the hierarchy as under:

- **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(aa) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when a Group becomes a party to the contractual provisions of the instruments.

i) Initial Recognition: Financial assets and Financial liabilities

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

ii) Classification and Subsequent Measurement: Financial Assets

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

At amortised cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, such financial assets are subsequently measured at amortised cost using expected interest rate (EIR) method. In case of financial assets at amortised costs, interest income, foreign exchange gain or loss and impairment are recognized in Statement of profit and loss.

At fair value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Where the Group has elected to present the fair value gain on equity instruments in other comprehensive income, there is no subsequent classification of fair value gain or losses to profit and loss account. Dividend from such instruments is recognized in profit and loss account as other income where right to receive is established.

At fair value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss other than those measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The Group recognises a loss allowance for expected credit losses on financial asset. The Group's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time credit expected losses. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets:

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises associated liabilities.

On derecognition of a financial asset, other than investments classified as FVOCI, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such

gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

iii) Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of Financial Liabilities:

The Group derecognises a financial liability when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such exchange or modification is treated as derecognition of the original liability and the recognition of a new financial liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

The difference between the carrying amount of financial liability derecognized and consideration paid and payable is recognized in the statement of profit and loss.

On derecognition of equity investments classified as FVOCI, accumulated gains or loss recognised in OCI is transferred to retained earnings.

(bb) Financial liabilities and equity instruments

• **Classification as debt or equity**

Debt and equity instruments issued by the group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

• **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group are recognised at the proceeds received.

(cc) Derivative financial instruments

The Group enters into derivative financial instruments viz. foreign exchange forward contracts to manage foreign exchange risks. The Group does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date derivative contracts are entered into and are subsequently remeasured at their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss.

Note no. 1A. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that

affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Continuous evaluation is done on estimates and judgments based on historical experience and other factors, including expectation of future events that are believed to be reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates made in preparing Financial Statements:

(a) Useful life of Property, plant and equipment and intangible assets

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

(b) Post-employment benefit plans

Employees benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

(c) Expected credit losses on financial assets

The loss allowance on financial assets including trade receivables are based on assumption about the risk of default and expected timing of collection. The Company uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculation based on Company's history of credit losses adjusted to reflect current and estimated future economic conditions, suit filed cases and credit information of customers at the end of each reporting period.

(d) Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events requires best judgment by the management regarding the probability of exposure to potential loss. If circumstances change following unforeseeable developments, this likelihood could alter.

(e) Impairment of non-financial assets

The Group has used certain judgments and estimation to estimate future projection and discount rate to compute value in used of assets/cash generating units and to assess impairment.

(f) Revenue recognition

The Group recognised the revenue from contract with customers based on 5 steps model as per Ind AS- 115 which involve judgments relating to identification of contracts with customers, identification of distinct performance obligation, determination of transaction price with respect to identified performance obligation, appropriateness of the basis used to recognise revenue and when the control of goods and services are being transferred.

Notes forming part of Consolidated Financial Statements
Note No. 2 : PROPERTY, PLANT & EQUIPMENT, CAPITAL WORK IN PROGRESS AND INTANGIBLE ASSETS
As at 31st March 2023
(₹ in Lacs)

Particulars	Gross Block				Depreciation/Amortization				Net Block	
	As at 01.04.2022	Additions	Deductions/ Adjustments	As at 31.03.2023	As at 01.04.2022	Depreciation for the year	Deductions/ Adjustments	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
A. Property, Plant & Equipment										
Leasehold Land	3644.49	-	-	3644.49	321.58	53.60	-	375.18	3269.31	3322.91
Freehold Land	3780.52	-	-	3780.52	-	-	-	-	3780.52	3780.52
Building	4507.57	-	-	4507.57	963.01	152.75	-	1115.76	3391.81	3544.56
Plant & Machinery	10407.54	179.87	123.50	10463.91	3909.89	586.69	14.69	4381.89	6082.02	6497.65
Furniture & Fixtures	183.21	10.79	12.66	181.34	95.18	15.80	6.37	104.61	76.73	88.03
Office Equipments	172.96	25.89	0.43	198.42	111.90	22.77	0.29	134.38	64.04	61.06
Vehicles	273.35	11.55	10.65	274.25	99.91	31.51	6.03	125.39	148.86	173.44
Total (A)	22969.64	228.10	147.24	23050.50	5501.47	863.12	127.38	6237.21	16813.29	17468.17
B. Intangible assets										
Computer Software	122.03	7.19	-	129.22	109.39	4.87	-	114.26	14.96	12.64
Total (B)	122.03	7.19	-	129.22	109.39	4.87	-	114.26	14.96	12.64
Total (A+B)	23091.67	235.29	147.24	23179.72	5610.86	867.99	127.38	6351.47	16828.25	17480.81
Capital work-in-progress		368.02							368.02	-

As at 31st March 2022
(₹ in Lacs)

Particulars	Gross Block				Depreciation/Amortization				Net Block	
	As at 01.04.2021	Additions	Deductions/ Adjustments	As at 31.03.2022	As at 01.04.2021	Depreciation for the year	Deductions/ Adjustments	As at 31.03.2022	As at 31.03.2022	As at 31.03.2020
A. Property, Plant & Equipment										
Leasehold Land	3644.49	-	-	3644.49	267.98	53.60	-	321.58	3322.91	3376.51
Freehold Land	3792.50	-	11.98	3780.52	-	-	-	-	3780.52	3792.50
Building	4499.27	8.30	-	4507.57	810.58	152.43	-	963.01	3544.56	3688.69
Plant & Machinery	10368.80	137.36	98.62	10407.54	3404.28	577.85	72.24	3909.89	6497.65	6964.52
Furniture & Fixtures	173.62	17.76	8.17	183.21	82.78	15.91	3.51	95.18	88.03	90.84
Office Equipments	148.22	25.32	0.58	172.96	94.33	18.12	0.55	111.90	61.06	53.89
Vehicles	284.55	44.37	55.57	273.35	100.81	31.65	32.55	99.91	173.44	183.74
Total (A)	22911.45	233.11	174.92	22969.64	4760.76	849.56	108.85	5501.47	17468.17	18150.69
B. Intangible assets										
Computer Software	118.98	3.05	-	122.03	85.47	23.92	-	109.39	12.64	33.51
Total (B)	118.98	3.05	-	122.03	85.47	23.92	-	109.39	12.64	33.51
Total (A+B)	23030.43	236.16	174.92	23091.67	4846.23	873.48	108.85	5610.86	17480.81	18184.20
Capital work-in-progress									-	-

2.1 Leasehold land classified as finance lease is recognised under property, plant and equity as substantially all the significant risk and rewards incidental to the ownership of the land under lease have been transferred to the company.

2.2 In accordance with the Indian accounting standard (Ind AS 36) Impairment of assets, management has during the year carried out exercise of identifying assets that may have been impaired. Based on review carried out by management no impairment loss on property, plant and equipment (PPE) during the year.

2.3 Title deeds of immovable property (other than lease hold land taken on lease by duly executed lease deed) are held in the name of the group.

2.4 Capital Work In Progress Ageing Schedule

(₹ in Lakhs)

Particulars	As on 31st March, 2023					As on 31st March, 2022				
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	Total	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	Total
Project in Progress	368.02	-	-	-	368.02	-	-	-	-	-
Projects temporary suspended	-	-	-	-	-	-	-	-	-	-

There is no project under Capital Work in Progress which is overdue in terms of timeliness or cost.

Notes forming part of Consolidated Financial Statements
Note No. 3 : NON CURRENT INVESTMENTS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Trade Investments (Unquoted)		
Investment in Govt. securities (carried at cost)		
National Saving Certificates (Deposited with Govt. department)	0.01	0.01
Total	0.01	0.01
3.1 Aggregate amount of unquoted investments	0.01	0.01
3.2 Aggregate amount of impairment in the value of investments	-	-

Note No. 4 : NON CURRENT LOANS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
(Unsecured, considered good)		
Loans and advances to related party (Refer note no. 37 and 46)	5939.00	5524.00
Total	5939.00	5524.00
Break-up:		
Loans considered good- Secured	-	-
Loans considered good- Unsecured	5939.00	5524.00
Loans which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
Total	5939.00	5524.00
Less: Allowance for doubtful loans	-	-
Total Loans	5939.00	5524.00
4.1 Refer note no 45 for additional disclosure		

Note No. 5 : OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
(Unsecured, considered good)		
Fixed deposits with banks	26.88	42.26
Security deposits	1047.39	1054.04
Total	1074.26	1096.30
5.1 Fixed deposits are kept towards margin against limits availed from the banks.		
5.2 Fixed deposits with banks are those having maturity period more than 12 months.		
5.3 Security deposits includes balances with electricity board,etc. and have been given for business purpose.		

Note No. 6 : OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Capital advance	79.12	-
Total	79.12	-

Note No. 7 : INVENTORIES

(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
(Valued at lower of cost or net realisable value)		
Raw materials (Including in transit 31st March, 2023- ₹ 478.43 Lacs; 31st March, 2022- ₹ 220.71 Lacs)	3021.69	2294.64
Stock in process	2997.81	3265.29
Finished stock (Including in transit 31st March, 2023- ₹ Nil Lacs; 31st March, 2022- ₹ Nil Lacs)	4605.36	5735.87
Stock-in-trade (Traded goods)	1.84	31.09
Fuel	88.17	99.36
Packing Material	265.11	141.75
Stores and spares (Including in transit 31st March, 2023- ₹ 28.31 Lacs;31st March, 2022- ₹ 73.15 Lacs)	599.19	715.33
EPC Material Stock	150.48	-
Total	11729.65	12283.33

7.1 Inventory write downs are accounted, considering the value of inventory ageing and net realisable value. Write downs of inventory during the year amounted to ₹ 16.56 Lacs (31st March, 2022- ₹ Nil Lacs). These write downs are recognised as an expense in the statement of Profit & Loss. The reversal on account of above during the year amounted to ₹ Nil (31st March, 2022- ₹ Nil Lacs).

Notes forming part of Consolidated Financial Statements
Note No. 8 : TRADE RECEIVABLES

(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Trade receivables	10575.05	10248.70
Trade receivables from related party (Refer note no. 37)	85.00	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Less: Allowance for bad and doubtful trade receivables	181.04	238.32
Total receivables	10479.01	10010.38
Current portion	10479.01	10010.38
Non-current portion	-	-
Break up of security details:		
Secured, considered good	-	-
Unsecured, considered good	10479.01	10010.38
Doubtful	181.04	238.32
Total	10660.05	10248.70
Allowance for bad and doubtful trade receivables	(181.04)	(238.32)
Total trade receivables	10479.01	10010.38

8.1 Balance of trade receivables are subject to reconciliations, confirmation and consequential adjustment, if any.

8.2 Includes ₹ 183.84 Lacs (31st March-2022 ₹ 183.84 Lacs) under litigation for which adequate provision has been made.

8.3 Refer Note no. 47 for ageing of trade receivable.

Note No. 9 : CASH AND CASH EQUIVALENTS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Cash on Hand	14.26	15.67
Balances with Banks		
In Current accounts	82.69	335.26
In Deposit accounts (With maturity upto 3 months)	47.68	66.87
Total	144.63	417.80

9.1 Balance in deposit accounts are kept towards margin against limits availed from the banks.

Note No. 10 : BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Bank deposits (With maturity more than 3 months but less than 12 months)	443.22	389.23
Total	443.22	389.23

10.1 Bank deposits are kept towards margin against limits availed from the banks.

Note No. 11 : CURRENT INVESTMENTS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Investment in Equity Instruments (Quoted) (Carried at fair value through Profit & Loss)		
Centrum Capital Limited 566000 (31st March, 2022- 566000) Equity Shares of ₹ 1/- each fully paid up	106.86	146.31
Uniply Industries Limited 642000 (31st March, 2022- 642000) Equity Shares of ₹ 2/- each fully paid up	-	25.68
HDFC Life Insurance Company Limited 35000 (31st March, 2022-35000) Equity Shares of ₹ 10/- each fully paid up	174.77	188.37
Sub Total equity instruments (Quoted)	281.63	360.36
Investment in Mutual Funds (Quoted) (Carried at fair value through Profit & Loss)		
ICICI Prudential long short fund-sr-1 Nil (31st March, 2022-399980.001) units @103.28/-fully paid up	-	413.10
Edelweiss crossover opportunities fund 992542.147 (31st March, 2022- 992668.053) units @ 11.1988/- fully paid up	103.35	111.17
Sub Total Mutual Funds (Quoted)	103.35	524.27
Sub Total (Quoted)	384.98	884.63

Notes forming part of Consolidated Financial Statements
Investment in Equity Instruments (Unquoted)
(Carried at Cost)

HDB Financials Limited	153.30	153.30
21000 (31st March, 2022 -21000) Equity Shares of ₹ 10/- each fully paid up		

Sub Total (Unquoted)	153.30	153.30
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Total (Quoted & Unquoted Investment)	538.28	1037.93
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11.1 Aggregate amount of quoted & unquoted investments (At cost)	1049.32	1449.30
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11.2 Aggregate amount of impairment in the value of investment	511.04	411.37
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Note No. 12 : CURRENT LOANS
(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
(Unsecured, considered good)		
Loans to others	61.12	152.80
Total	61.12	152.80
Break-up:		
Loans considered good- Secured	-	-
Loans considered good- Unsecured	61.12	152.80
Loans which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
Total	61.12	152.80
Less: Allowance for bad and doubtful loans	-	-
Total Loans	61.12	152.80

12.1 Disclosure as per the requirements of Section 186 of the Companies Act, 2013.

Name of the Company	Terms of Loan	Maximum balance outstanding		Amount Outstanding	
		As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Modern Metal High Tech Components pvt. Ltd.	- Payable on demand - Interest free	463.83	-	463.83	-
Shriji Design MIL JV	- Payable on demand - Interest rate- 12% p.a.	349.64	799.71	337.14	343.75

12.2 Loans to subsidiary company and joint venture have been given for their normal business requirement and the same have been utilised for that purpose only.

12.3 Refer note no. 46 for additional disclosure

Note No. 13 : OTHER CURRENT FINANCIAL ASSETS
(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
(Unsecured, considered good)		
Deposits	76.38	86.99
Advances to employees	22.04	27.94
Export benefits receivables	136.62	138.85
Accrued interest	129.97	45.22
Others	14.42	4.36
Total	379.43	303.36

Note No. 14 : OTHER CURRENT ASSETS
(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
(Unsecured, considered goods)		
Prepaid expenses	86.90	69.52
Advances to suppliers for goods & services	648.15	333.40
Balance with Govt. authorities	363.78	271.43
Income Tax advance	456.01	456.01
Tax deducted at source	677.16	616.26
Others	74.24	111.99
(Unsecured, considered doubtful)		
Balance with Govt. authorities	15.70	-
Less allowance for doubtful debts	(15.70)	-
Total	2306.24	1858.61

14.1 Advances to suppliers for goods & services include advances against purchases & services, which are receivable in kind in next 12 Months & are for business purpose.

Notes forming part of Consolidated Financial Statements
Note No. 15 : EQUITY SHARE CAPITAL

(₹ in Lacs)

PARTICULARS	As at 31st	As at 31st
	March, 2023	March, 2022
Authorised		
9,00,00,000 (31st March, 2022 - 9,00,00,000) Equity shares of ₹ 10/- each	9000.00	9000.00
5,00,000 (31st March, 2022 - 5,00,000) Preference shares of ₹ 100/- each	500.00	500.00
Total	9500.00	9500.00
Issued, subscribed and paid-up		
4,71,43,900 (31st March, 2022 - 4,71,43,900) Equity shares of ₹ 10/- each fully paid-up	4714.39	4714.39
Total	4714.39	4714.39

15.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number of Shares	₹ in Lacs	Number of Shares	₹ in Lacs
Balance as at the beginning of the year	47143900	4714.39	47143900	4714.39
Add : Issued during the year	-	-	-	-
Balance as at the end of the year	47143900	4714.39	47143900	4714.39

15.2 Terms/rights attached to equity shares

The holding company has only one class of equity shares having a par value of ₹ 10/- per share. Each Holder of equity shares is entitled to one vote per share. Each Holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the company after distribution of preferential amount, in proportion to their shareholding.

15.3 Details of shareholders holding more than 5% of shares of the company:-

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Vijay Beneficiary Trust	16495731	34.99	16495731	34.99
Jay Beneficiary Trust	6530886	13.85	6530886	13.85
Pride Mercantiles Pvt. Ltd.	5343453	11.33	5343453	11.33

15.4 Details of shareholding of promoters and promoters group companies /trust.
As at 31st March, 2023

Promoter Name	No. of shares as at 1.4.2022	Change during the year	No. of shares as at 31.03.2023	% of Total Shares as at 31.03.2023	% change during the year
Pride Mercantiles Pvt. Ltd.	5343453	-	5343453	11.3343	-
Jay Beneficiary Trust (Through trustee Sachin Ranka)	6530886	-	6530886	13.8531	-
Vijay Beneficiary Trust (Through trustee Sachin Ranka)	16495731	-	16495731	34.9902	-
Sachin Ranka	500	-	500	0.0011	-
Shreyans Ranka	500	-	500	0.0011	-
Smriti Ranka	500	-	500	0.0011	-
Suvrat Ranka	500	-	500	0.0011	-
Kakunda Investment Pvt. Ltd.	9807	-	9807	0.0208	-
Total	28381877	-	28381877	60.2028	-

As at 31st March, 2022

Promoter Name	No. of shares as at 1.4.2021	Change during the year	No. of shares as at 31.03.2022	% of Total Shares as at 31.03.2022	% change during the year
Pride Mercantiles Pvt. Ltd.	5343453	-	5343453	11.3343	-
Jay Beneficiary Trust (Through trustee Sachin Ranka)	6530886	-	6530886	13.8531	-
Vijay Beneficiary Trust (Through trustee Sachin Ranka)	16495731	-	16495731	34.9902	-
Sachin Ranka	500	-	500	0.0011	-
Shreyans Ranka	500	-	500	0.0011	-
Smriti Ranka	500	-	500	0.0011	-
Suvrat Ranka	500	-	500	0.0011	-
Ajaymeru Trading and Investments Private Limited	34558	(34558)	-	-	100
Kakunda Investment Pvt. Ltd.	9807	-	9807	0.0208	-
Total	28416435	(34558)	28381877	60.2028	0.12

Notes forming part of Consolidated Financial Statements
Note No. 16 : OTHER EQUITY

(₹ in Lacs)

Particulars	Reserves and Surplus			Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings	
Balance as at 1st April, 2021	2911.45	1285.87	24943.86	29141.18
Profit for the year	–	–	2197.76	2197.76
Other comprehensive income	–	–	2.21	2.21
Balance as at 31st March, 2022	2911.45	1,285.87	27143.83	31341.15
Non-controlling interest	–	–	–	–
Balance as at 31st March, 2022	2,911.45	1,285.87	27143.83	31341.15
Balance as at 1st April, 2022	2911.45	1285.87	27143.83	31341.15
Profit for the year	–	–	2794.78	2794.78
Other comprehensive income	–	–	17.05	17.05
Balance as at 31st March, 2023	2911.45	1285.87	29955.66	34152.98
Non-controlling interest	–	–	–	–
Balance as at 31st March, 2023	2911.45	1285.87	29955.66	34152.98

16.1 The description of the nature and purpose of each reserve within equity is as follows:

A. Capital Reserve: Capital Reserve is created mainly on amalgamation of Modern Terry Towel Ltd. with the Company. This reserve is utilised in accordance with the provisions of the Act.

B. Securities Premium Reserve: Securities premium reserve is created due to premium on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

Note No. 17 : NON CURRENT BORROWINGS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Secured Term Loans		
From Banks	24.69	45.95
Total	24.69	45.95

17.1 Term loans from banks are secured against hypothecation of the specific vehicles.

17.2 Term loans from banks (for vehicles) are repayable as per various payment schedules. Last installment due in April 2029. Rate of Interest varies from 7.4% to 9.15% p.a. (31st March, 2022 7.4% to 9.15% p.a.)

17.3 Breakup of amount due within 12 months (current) and after 12 months (non-current) is as under:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Non-Current	Current*	Non-Current	Current*
From Banks	24.69	26.86	45.95	34.68
Sub Total	24.69	26.86	45.95	34.68

* Considered in Current Borrowings (Note no. 21).

Note No. 18 : NON CURRENT PROVISIONS

(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Provision for Employee Benefits (Refer note no. 35)		
For Gratuity	2058.89	2037.34
For Leave encashment	306.99	350.69
Total	2365.88	2388.03

Note No. 19 : DEFERRED TAX LIABILITES (NET)

(₹ in Lacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liability in relation to: (Refer note no. 34)		
Property, plant and equipment and intangible assets	3581.35	3784.64
Deferred Tax Asset in relation to:		
Provisions	1027.92	1017.79
Receivables and advances	119.05	95.84
Financial assets	63.26	83.28
Net Deferred Tax Liability	2371.12	2587.73

Notes forming part of Consolidated Financial Statements
Note No. 20 : OTHER NON CURRENT LIABILITIES
(₹ in Laacs)

PARTICULARS	As at 31st	As at 31st
	March, 2023	March, 2022
Other non current liabilities	23.05	22.22
Total	23.05	22.22

Note No. 21 : CURRENT BORROWINGS
(₹ in Laacs)

PARTICULARS	As at 31st	As at 31st
	March, 2023	March, 2022
Secured		
Bank borrowings for working capital	750.50	2507.46
Current maturities of long term borrowings	26.86	34.68
Total	777.36	2542.14

21.1 Bank borrowings for working capital are repayable on demand.

21.2 Bank borrowings for working capital are secured by hypothecation of stocks, book debts and first charge on fixed assets of Insulator Division and are personally guaranteed by one of the directors.

21.3 Refer note no. 17 for long term borrowings.

21.4 Refer note no. 49 for deviation in quarterly returns and statements of current assets filed by the company with banks.

Note No. 22 : TRADE PAYABLES
(₹ in Laacs)

PARTICULARS	As at 31st	As at 31st
	March, 2023	March, 2022
Trade Payables		
Outstanding dues of micro enterprises and small enterprises	274.78	472.81
Outstanding dues of creditors other than micro enterprises and small enterprises	2893.39	3516.76
Total	3168.17	3989.57

22.1 Balances of trade payables are subject to reconciliation, confirmation and consequential adjustments, if any.

22.2 Dues to Micro, Small and Medium Enterprises.

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said MSMED Act are as follows:

PARTICULARS	As at 31st	As at 31st
	March, 2023	March, 2022
a. The Principal amount remaining unpaid to any supplier at the end of the year	274.78	472.81
b. Interest due remaining unpaid to any supplier at the end of the year	-	-
c. Amount of interest paid by the Company in terms of section 16 of MSMED Act	-	-
d. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
e. Amount of interest accrued and remaining unpaid at the end of accounting year	-	-
f. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the company and has being relied upon by the auditors.

22.3 Refer note no 48 for ageing of trade payable.

Note No. 23 : OTHER CURRENT FINANCIAL LIABILITIES
(₹ in Laacs)

PARTICULARS	As at 31st	As at 31st
	March, 2023	March, 2022
Sundry deposits	77.14	70.88
Payable towards capital goods	76.96	40.61
Other payables	1502.19	1637.53
Total	1656.29	1749.02

23.1 Other payables include employees dues and liability for expenses etc.

Notes forming part of Consolidated Financial Statements
Note No. 24 : CURRENT PROVISIONS

(₹ in Laacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Provision for Employee Benefits (Refer note no. 35)		
For Gratuity	329.58	278.90
For Leave encashment	108.35	100.48
Total	437.93	379.38

Note No. 25 : OTHER CURRENT LIABILITIES

(₹ in Laacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Advances received from customers	554.00	654.56
Statutory dues	124.38	140.42
Total	678.38	794.98

Note No. 26 : REVENUE FROM OPERATIONS

(₹ in Laacs)

PARTICULARS	As at 31st March, 2023	As at 31st March, 2022
Sale of products	42141.05	42768.32
Sale of services	168.19	735.15
Sale of traded goods	125.89	37.04
Other operating revenues	660.43	621.26
Total	43095.56	44161.77
26.1 Particulars of sale of products		
Insulators & metal fitting	37981.89	37845.92
EPC OHE Project	203.22	-
Towels & fabric	3936.14	4892.35
Yarn & waste	19.80	30.05
	42141.05	42768.32
26.2 Particulars of sale of services		
Railway overhead electrification	-	529.28
Job work Income	2.54	0.43
Path lab testing charges	165.65	205.44
	168.19	735.15
26.3 Particulars of traded goods		
Yarn	114.87	36.15
Advance ceramics / Sanitaryware items	11.02	0.89
	125.89	37.04
26.4 Particulars of other operating revenue		
Export incentives	476.60	421.66
Scrap sales	183.83	199.60
	660.43	621.26
26.5 Reconciliation of sale of products		
Revenue from contract with customer	42482.31	42970.43
Adjustment made to contract price on account of		
(a) Discounts / rebates / incentives	(10.87)	(8.84)
(b) Sales return	(330.39)	(193.27)
	42141.05	42768.32

Notes forming part of Consolidated Financial Statements
Note No. 27 : OTHER INCOME

(₹ in Lacs)

PARTICULARS	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
Foreign exchange fluctuation (net)	376.55	220.00
Liabilities and sundry balances written back (net)	356.15	(15.73)
Interest income	94.91	56.64
Profit on sale of property, plant and equipment (net)	36.88	258.32
Profit on sale of investment (net realized gain)	13.12	32.93
Provision for bad and doubtful debt written back	57.28	95.10
Rent received	30.00	30.00
Miscellaneous income	545.39	500.92
Total	1510.28	1178.18

Note No. 28 : COST OF MATERIALS CONSUMED

(₹ in Lacs)

PARTICULARS	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
Raw materials at the beginning of the year	2294.64	2759.10
Add: Purchases	13355.52	14009.98
Less: Raw materials at the end of the year	3172.17	2294.64
Cost of materials consumed	12477.99	14474.44

Note No. 29 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE & STOCK IN PROCESS

(₹ in Lacs)

PARTICULARS	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
Inventories at the beginning of the year		
Finished goods	5735.87	5555.54
Stock-in-trade	31.09	32.31
Stock in process	3265.29	2437.82
	9032.25	8025.67
Inventories at the end of the year		
Finished goods	4605.36	5735.87
Stock-in-trade	1.84	31.09
Stock in process	2997.81	3265.29
	7605.01	9032.25
Total changes in inventories	(1427.24)	(1006.58)

Note No. 30 : EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

PARTICULARS	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
Salaries, wages, gratuity, bonus and allowances	6299.97	6540.85
Contribution to provident fund and other Funds (Refer note no. 35)	586.71	594.25
Staff & labour welfare	66.79	59.96
Total	6953.47	7195.06

Note No. 31 : FINANCE COSTS

(₹ in Lacs)

PARTICULARS	Year Ended	Year Ended
	31st March, 2023	31st March, 2022
Interest expenses	322.19	384.85
Other borrowing cost	93.08	134.90
Total	415.27	519.75

Notes forming part of Consolidated Financial Statements
Note No. 32 : OTHER EXPENSES

(₹ in Laacs)

PARTICULARS	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Manufacturing Expenses		
Power consumption (net)	2775.24	3015.95
Fuel consumption	5152.91	5570.11
Stores and spares consumption	3429.56	3558.17
Packing	2155.96	2453.75
Job Charges	938.12	1203.74
Making up Expenses	63.59	203.19
Repairs and Maintenance:		
Plant and Machinery	983.82	939.29
Buildings	385.92	426.14
Others	50.30	47.36
Other expenses	533.23	594.72
	16468.65	18012.42
Administrative Expenses		
Rent	75.76	74.09
Insurance	84.80	83.86
Rates and taxes	38.85	56.07
Travelling and conveyance	403.12	315.58
Legal and professional expenses	437.83	321.01
Telecommunication expenses	9.17	8.74
Directors fees (Refer note no. 37)	1.27	1.23
Corporate social responsibility (CSR) activities (Refer note no. 43)	50.23	52.13
Payment to Auditors		
for Audit fee	4.90	5.00
for Limited review	2.00	2.00
for Tax audit fee	1.60	1.75
for Expenses	1.02	0.86
Other expenses	558.86	551.44
	1669.41	1473.76
Selling Expenses		
Commission, rebates etc	87.69	126.15
Carriage outward (net)	1092.96	1331.85
Bad debts	123.58	-
Sales promotion and advertisement	92.70	23.57
Insulators testing charges	115.61	110.50
Other expenses	44.71	50.14
	1557.25	1642.21
Other Expenses		
Lease rent on land	0.07	0.14
Loss/(gain) on fair valuation of investment carried at FVTPL (net)	99.67	43.86
Brokerage and commission on shares	0.02	15.17
	99.76	59.17
Total	19795.07	21187.56

Notes forming part of Consolidated Financial Statements
Note No. 33 : EARNINGS PER SHARE

(₹ in Laacs)

PARTICULARS	Unit	Year Ended	Year Ended
		31st March, 2023	31st March, 2022
Net profit for the year attributable to equity shareholders & diluted earnings per share)	₹ In Laacs	2794.78	2197.76
Weighted average number of equity shares outstanding	Nos.	4,71,43,900	4,71,43,900
Nominal value per share	₹	10	10
Earnings Per Share:			
– Basic	₹	5.93	4.66
– Diluted	₹	5.93	4.66

Note No. 34 : INCOME TAX
i) Tax expense recognised in Statement of Profit and Loss

(₹ in Laacs)

PARTICULARS	31st March, 2023	31st March, 2022
(a) Statement of Profit and Loss		
Current tax for the year	–	–
Deferred tax for the year	(225.77)	(135.85)
Income tax expense recognised in Statement of Profit and Loss	(225.77)	(135.85)
(b) Other Comprehensive Income		
Income tax on actuarial gain/loss on defined benefit plan	(9.16)	(1.19)
Income tax charged to Other comprehensive income	(9.16)	(1.19)

ii) Reconciliation of effective tax rate

(₹ in Laacs)

PARTICULARS	31st March, 2023	31st March, 2022
Profit before tax	2569.01	2061.91
Enacted tax rate in India	34.944%	34.944%
Current tax expenses on profit before tax at the enacted income tax rate in India	897.71	720.51
Tax effect of		
Expenses disallowed under Income Tax Act, 1961	6.02	(66.47)
Capital (gain)/loss (differential tax rate)	11.61	9.75
Income set off from brought forward losses pursuant to proposed amalgamation	(1146.22)	(855.20)
Others	5.11	55.55
Total tax expenses in the consolidated statement of profit and loss account	(225.77)	(135.85)
Effective Tax Rate	(8.79)	(6.59)

iii) The movement in deferred tax assets and liabilities
During the year ended 31st March, 2023

(₹ in Laacs)

PARTICULARS	As at 1st April, 2022	Recognised in Profit and Loss	Recognised in OCI	As at 31st March, 2023
Property, plant and equipment and intangible assets	3784.64	(203.29)	–	3581.35
Provisions	(1017.79)	(19.29)	9.16	(1027.92)
Receivables and advances	(95.84)	(23.21)	–	(119.05)
Financial assets	(83.28)	20.02	–	(63.26)
Net Deferred Tax Liability	2587.73	(225.77)	9.16	2371.12

During the year ended 31st March, 2022

(₹ in Laacs)

PARTICULARS	As at 1st April, 2021	Recognised in Profit and Loss	Recognised in OCI	As at 31st March, 2022
Property, plant & equipment and tangible assets	3918.01	(133.37)	–	3784.64
Provisions	(993.49)	(25.49)	1.19	(1017.79)
Receivables and advances	(85.62)	(10.22)	–	(95.84)
Financial assets	(116.51)	33.23	–	(83.28)
Net Deferred Tax Liability	2722.39	(135.85)	1.19	2587.73

Notes forming part of Consolidated Financial Statements

- iv) (a) Provision for taxation including interest estimated at ₹ 1762.36 lacs for the year ended 31st March, 2023 (31st March, 2022- ₹ 1306.15 lacs; upto the year ₹ 7719.25 lacs) has not been made in accounts of the holding company in view of the proposed amalgamation under the provisions of Companies Act, 2013.
- iv) (b) Holding Company has claimed the losses pertaining to Modern Denim Limited in its income tax return from AY 2017-18, with which the holding company has proposed amalgamation. Income Tax Department has completed assessment for Assessment Year 2017-18 and 2018-19 and has disallowed such losses claimed pursuant to proposed amalgamation pending approval from concerned authorities. However, the Holding Company has filed appeal against the said order before CIT (Appeals) which is pending. The Holding Company is confident for favourable order as it has received relief in previous years in similar matter.
- v) Income tax department had completed assessments for A.Y. 2008-09 to 2018-19 of holding company wherein assessments on substantive basis were done with Nil liability by allowing losses of Modern Terry Towel Ltd. (the amalgamated entity) and simultaneously assessments on protective basis were also done (except for A.Y. 2014-15, 2016-17, 2017-18 and 2018-19) presuming that no amalgamation had taken place. Since amalgamation scheme have been sanctioned by the Hon'ble BIFR vide its order dated 28.07.2016, protective assessment orders passed by the department have become ineffective and substantive assessment orders are prevailed. However, effect of BIFR order is yet to be given by the department for which Holding Company is taking necessary steps. There is no recoverable demand as on date.

Note No. 35 : EMPLOYEE BENEFIT (AS PER ACTUARIAL VALUATION AS ON 31 ST MARCH-2023 AND 31 ST MARCH-2022)
i) Defined contribution plan

During the year company has recognised the following amounts in the statement of profit and loss account.

PARTICULARS	(₹ in Lacs)	
	2022-23	2021-22
Benefits (Contributed to)		
Provident Fund	466.73	462.01
Employee State Insurance	51.30	57.09
National Pension Scheme	57.35	63.77
Group Insurance Scheme/DLI Contribution	11.33	11.38
Total	586.71	594.25

ii) Defined benefits plan
Gratuity

The Company provides gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation :

PARTICULARS	(₹ in Lacs)	
	31st March, 2023	31st March, 2022
Present Value of obligation as at the beginning of the year	2316.24	2253.30
Current service cost	156.28	158.78
Interest cost	167.17	153.13
Past service cost	-	-
Actuarial (gain)/loss	(26.21)	(3.40)
Benefit paid	(225.01)	(245.57)
Present value of obligation as at the end of the year	2388.47	2316.24

Amount recognized in the Consolidated Balance Sheet:

PARTICULARS	(₹ in Lacs)	
	31st March, 2023	31st March, 2022
Present value of defined benefit obligation	2388.47	2316.24
Fair value of plan assets	-	-
Net liability	2388.47	2316.24
Amounts shown in the consolidated balance sheet		
Current liabilities	329.58	278.90
Non-current liabilities	2058.89	2037.34
Net liability	2388.47	2316.24

Amount recognized in Consolidated Profit and Loss:

PARTICULARS	(₹ in Lacs)	
	31st March, 2023	31st March, 2022
Current service cost	156.28	158.78
Past service cost	-	-
Interest cost	167.17	153.13
Total amount recognized in Consolidated Profit and Loss:	323.45	311.91

Notes forming part of Consolidated Financial Statements

Amount recognized in other comprehensive income:		(₹ in Lacs)	
PARTICULARS	31st March, 2023	31st March, 2022	
Actuarial (gain)/loss on obligation	(26.21)	(3.40)	
Return on plan assets less interest on plan assets	-	-	
Total Actuarial (Gain)/Loss recognised in other comprehensive income	(26.21)	(3.40)	

Actuarial (Gain)/Loss on obligation consists:		(₹ in Lacs)	
PARTICULARS	31st March, 2023	31st March, 2022	
Actuarial (gain)/loss arising from change in demographic assumption	-	-	
Actuarial (gain)/loss arising from change in financial assumption	(27.49)	11.40	
Actuarial (gain)/loss arising from change in experience adjustment on plan liabilities	1.28	(14.80)	
Total Actuarial (Gain)/Loss on obligation	(26.21)	(3.40)	

Information for funded plans with a defined benefit obligation less than plan assets:		(₹ in Lacs)	
PARTICULARS	31st March, 2023	31st March, 2022	
Defined benefit obligation	2388.47	2316.24	
Fair value of plan assets	-	-	
Net Liability/(Assets)	2388.47	2316.24	

Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets:		(₹ in Lacs)	
PARTICULARS	31st March, 2023	31st March, 2022	
Present value of obligation at year end	2388.47	2316.24	
Fair value of plan assets at year end	-	-	
Funded status excess of actual over estimated.	(2388.47)	(2316.24)	
Assets/(Liabilities) recognized in the Balance Sheet	(2388.47)	(2316.24)	

iii) Defined benefit obligation
a) Actuarial assumption

The following were the principal actuarial assumptions at the reporting date.

PARTICULARS	31st March, 2023	31st March, 2022	
Discount rate*	7.38% & 7.32%	7.22% & 7.13%	
Expected return on plan assets			
Gratuity		NA	
Leave encashment		NA	
Salary escalation rate**	6.00% & 4.50%	6.00% & 4.50%	
Mortality rate inclusive of provision for disability	100% of IALM (2012-14)		

* The discount rate assumed is determined by reference to market yield at the balance sheet date on government bonds.

** The estimates of future salary increase considered in actuarial valuation, taking account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b) Sensitivity analysis

Reasonable possible change at the reporting date to one of the relevant actuarial assumption, holding other assumption constant, would have affected the defined benefit obligation by the amount shown below.

PARTICULARS	31st March, 2023		31st March, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(81.87)	87.67	(82.76)	88.70
Salary escalation rate (0.5% movement)	87.33	(82.58)	88.51	(81.53)

c) Expected Maturity analysis of the defined benefits plan in future years

Particulars	(₹ in Lacs)			
	First Year	Second Years	Third to Fifth years	More than 5 Years
Gratuity	329.58	220.58	532.62	1305.69

d) Risk exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

- Salary Increase- Actual salary increase will increase the plan's liability. Increase in salary increase rate assumption in future valuations which also increase the liability.

Notes forming part of Consolidated Financial Statements

- Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can affect the liability.
- Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can affect the liabilities.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can affect liability.

iv) Long term employee benefit
Leave encashment

The group has a policy to pay leave encashment. Every employee is entitled to claim leave encashment after his/her retirement/termination which is calculated based upon no. of leaves earned. The company has a total provision for leave encashment as on 31st March, 2023 ₹ 415.34 Lacs and as on 31st March, 2022 ₹ 451.17 Lacs. Total expenses provided during the year 2022-23 is ₹ 44.48 Lacs and for the year 2021-22 ₹ 83.86 Lacs. This includes Current Service Cost of ₹ 56.92 Lacs for the year 2021-22 and ₹ 69.35 Lacs based on actuarial valuation.

Note No. 36 : SEGMENT INFORMATION
A. Primary segment reporting (by business segment)

The two identified segments are:

- (i) Insulators
- (ii) Terry Towels
- (iii) Others

	31st March, 2023				31st March, 2022			
	Insulators	Terry Towels	Others	Total	Insulators	Terry Towels	Others	Total
1. Segment Revenue								
Revenue from operations	38956.89	4138.67	–	43095.56	38555.71	5076.78	529.28	44161.77
2. Segment results								
Profit before financial expenses	3401.25	(386.79)	(30.18)	2984.28	3006.94	(433.05)	7.77	2581.66
Less: financial expenses	415.27	–	–	415.27	519.75	–	–	519.75
Profit before tax	2985.98	(386.79)	(30.18)	2569.01	2487.19	(433.05)	7.77	2061.91
3. Capital employed								
Segment assets	41795.95	7870.58	703.71	50370.24	41279.69	9049.38	225.49	50554.56
Segment liabilities	10992.28	440.77	69.82	11502.87	13543.83	941.05	14.14	14499.02
Capital employed	30803.67	7429.81	633.89	38867.37	27735.86	8108.33	211.35	36055.54

B. Secondary segment reporting (by geographical segment)

The analysis of geographical segment is based on geographical location of the customers, which is domestic and export.

Revenue by geographical market
(₹ in Lacs)

	31st March, 2023				31st March, 2022			
	Insulators	Terry Towels	Others	Total	Insulators	Terry Towels	Others	Total
In India	21317.89	3834.18	–	25152.07	23420.29	4438.72	529.28	28388.29
Other than India	17639.00	304.49	–	17943.49	15135.42	638.06	–	15773.48
	38956.89	4138.67	–	43095.56	38555.71	5076.78	529.28	44161.77

Carrying amount of segment assets (Trade receivables)

	31st March, 2023				31st March, 2022			
	Insulators	Terry Towels	Others	Total	Insulators	Terry Towels	Others	Total
In India	4998.41	329.57	–	5327.98	5570.95	445.83	–	6016.78
Other than India	5151.03	–	–	5151.03	3964.14	29.46	–	3993.60
	10149.44	329.57	–	10479.01	9535.09	475.29	–	10010.38

Note No. 37 : RELATED PARTY DISCLOSURES AS PER IND AS 24
i) Name of related parties and description of relationship

- a) **Company which exercises significant influence**
Modern Denim Limited
- b) **Subsidiary Company**
Modern Metal High-Tech Compnenth Pvt. Ltd. - Wholly owned subsidiary
- c) **Joint Venture**
Shriji Designs MIL JV - Joint Venture Firm
SEC- MIL JV - Joint Venture Firm

Notes forming part of Consolidated Financial Statements

- d) **Key Management Personnel**
 Shri Sachin Ranka – Chairman & Managing Director
 Shri Shreyans Ranka – Whole Time Director
 Shri P.K. Gokhroo – Executive Director
- e) **Relatives of the Key Management Personnel & their enterprises where transactions have taken place**
 Shubham Corporate Advisory Services Pvt. Ltd.
 Modern Medisciences Private Limited
 H.S. Ranka Foundation
 Smt. Smriti Ranka
 Smt. Aditi Ranka
- f) **Independent Director/Non Executive Director**
 Shri R. Raniwala – Independent Director
 Shri Rahul Singhvi – Independent Director
 Shri S. K. Sharma – Independent Director
 Smt. Meenu Sacheti – Independent Director

ii) The following transactions were carried out with the related parties during the year :

(₹ in Lacs)

Description of the nature of the transactions	Name	Volume of transactions		Balance Outstanding	
		Year ended 31st March, 2023	Year ended 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
a) Company which exercises significant influence					
Purchase of goods	Modern Denim Ltd.	193.51	62.25	–	–
Loans & advances given (net)	Modern Denim Ltd.	415.00	758.00	5939.00	5524.00
Purchase Returns	Modern Denim Ltd.	–	–	–	–
Sale of goods	Modern Denim Ltd.	118.67	45.63	85.00	–
Job charges received	Modern Denim Ltd.	0.02	0.45	–	–
Reimbursement of power expenses	Modern Denim Ltd.	270.17	197.68	–	–
Rent Income	Modern Denim Ltd.	35.40	35.40	–	–
Reimbursement of expenses (others)	Modern Denim Ltd.	1.44	0.89	–	–
b) Subsidiary Company					
Loan and advances given (net)	Modern Metal High-Tech Compnents Pvt. Ltd	463.83	–	463.83	–
Reimbursement of power expenses	Modern Metal High-Tech Compnents Pvt. Ltd	0.28	–	–	–
Rent Income	Modern Metal High-Tech Compnents Pvt. Ltd	5.31	–	–	–
Sale of goods	Modern Metal High-Tech Compnents Pvt. Ltd	0.12	–	–	–
Reimbursement of expenses (other)	Modern Metal High-Tech Compnents Pvt. Ltd	0.05	–	–	–
c) Joint Venture					
Sale of goods, services & reimbursement	Shriji Designs MIL JV	14.28	68.99	–	–
Loans and advances given (net)	Shriji Designs MIL JV	26.68	(343.36)	301.80	275.12
Interest income	Shriji Designs MIL JV	35.34	68.63	35.34	68.63
Loan given by Shriji Design to SEC MIL JV	SEC MIL JV	–	0.07	–	0.12
d) Key Managerial Personnel					
Remuneration*	Shri Sachin Ranka	107.15	105.81	–	–
	Shri P.K.Gokhroo	76.40	72.34	–	–
	Shri Shreyans Ranka	36.16	35.64	–	–
e) Relatives of the key managerial personnel & their enterprises					
Sales of Goods	Modern Medisciences Pvt. Ltd.	0.46	–	–	–
Rent paid	Shubham Corporate Advisory Services Pvt. Ltd.	18.00	18.00	–	–
	Smt. Smriti Ranka	14.40	14.40	–	–
Remuneration*	Smt. Aditi Ranka	17.30	17.30	–	–
Contribution towards CSR activities	H.S. Ranka Foundation	37.00	30.35	–	–
f) Independent Directors/Non Executive Directors					
Sitting fees paid to independent directors	Shri Rahul Singhvi	0.32	0.40	–	–
	Shri R. Raniwala	0.78	0.70	–	–
	Smt. Meenu Sacheti	0.17	0.13	–	–

Notes forming part of Consolidated Financial Statements

Terms and conditions:

Related party relationships are as identified by the management and relied upon by the auditor.

All the transactions with related parties were made on normal commercial terms and conditions and at market rates. The above transactions are as per the approval of audit committee.

Decision relating to remuneration to key management personnel were taken based on the recommendation of Nomination and Remuneration committee.

*Expenses towards gratuity and leave encashment are determined actuarially on overall company basis at the end of each year and accordingly have not been considered in remuneration.

Note No. 38 : Contingent Liabilities

Contingent liabilities to the extent not provided for in respect of

PARTICULARS	₹ in Lacs)	
	31st March, 2023	31st March, 2022
Guarantees given by bankers on behalf of the company	989.86	930.25
Outstanding letters of credit	35.58	400.57
Disputed liabilities, not acknowledged as debts	485.47	494.69
Disputed Income Tax demand (Deposited under protest ₹ 7.50 Lacs, 31st March, 2022- ₹ 7.50 Lacs)	7.50	7.50
Disputed Land Tax demand (Deposited under protest ₹ 15.70 Lacs, 31st March, 2022- ₹ 15.70 Lacs)	15.70	15.70
Disputed GST demand (Deposited under protest ₹ 2.75 Lacs, 31st March, 2022- ₹ Nil Lacs)	210.52	85.49
Doubtful advances to creditors	14.79	14.79

The Group, in respect of contingent liability, has assessed that it is not probable that outflow of economic resources will be required and hence not provided by the Group.

Note No. 39 : Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances ₹ 9.72 Lacs) ₹ 10.95 Lacs (31st March, 2022- ₹ 47.81 Lacs).

Note No. 40 : Capital Management

For the purpose of Group's Capital Management, capital includes issued equity share capital and other equity reserves attributable to equity holders. The primary objective of Group's Capital Management is to maximize shareholder's wealth. The group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of financial covenants.

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholder. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investors, creditors and market confidence. The management and the Board of Directors monitors the return on capital. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Note No. 41 : Financial Risk Management

The Group's Financial Risk Management is an integral part of how to plan and execute its business strategies. The Group's financial risk management is set by the Managing Board. The Group's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the group's operations. The group's principal financial assets include trade & other receivables, investments, cash and short term deposits.

i) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers and other counter parties, taking into account financial conditions, current economic trends and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed based on such information.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Group measures the expected credit loss of trade receivables based on historical trend and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. The Group provides loss allowance on trade receivables using lifetime expected credit loss and as per simplified approach.

The Ageing of trade receivables is as below:

PARTICULARS	31st March, 2023	31st March, 2022
Not due	8328.43	8220.02
0-6 months	1853.76	1435.48
6 months to 12 months	102.85	135.50
1 year to 3 year	93.30	162.22
beyond 3 years	281.71	295.48
	10660.05	10248.70
Less: Allowance for doubtful debts	181.04	238.32
Total	10479.01	10010.38

Financial assets are considered to be good quality and there is no significant increase in credit risk.

Notes forming part of Consolidated Financial Statements
Movement in allowance for doubtful debts

PARTICULARS	31st March, 2023	31st March, 2022
Opening Balance	238.32	333.42
Allowances made	–	0.49
Allowances for bad and doubtful debts written back	(57.28)	(95.59)
Closing Balance	181.04	238.32

ii) Liquidity Risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity pattern of borrowings & other financial liabilities
As at 31st March, 2023

Particulars	12 months or less	1-2 years	2-5 years	More than 5 years	Total
Borrowing	777.36	7.27	16.15	1.27	802.05
Trade payable	3168.17	–	–	–	3168.17
Other financial liabilities	1656.29	–	–	–	1656.29
Total	5601.82	7.27	16.15	1.27	5626.51

As at 31st March, 2022

Particulars	12 months or less	1-2 years	2-5 years	More than 5 years	Total
Borrowing	2542.14	27.37	15.74	2.84	2588.09
Trade payable	3989.57	–	–	–	3989.57
Other financial liabilities	1749.02	–	–	–	1749.02
Total	8280.73	27.37	15.74	2.84	8326.68

iii) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

a) Foreign currency risk

The group operates internationally and portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales in overseas and purchase from overseas suppliers in various foreign currencies.

The group evaluate exchange rate exposure arising from foreign currency transaction and the group follow established risk management policies, including the use of derivative like foreign exchange forward contracts to hedge exposure to foreign risk.

Foreign currency derivatives and exposures not hedged
A. Foreign currency derivatives outstanding

(in Lacs)

Name of Instrument	As at 31st March, 2023		As at 31st March, 2022	
	INR	Foreign Currency (EURO)	Foreign Currency INR	Foreign Currency (EURO)
Forward Contract	–	–	–	–

B. Foreign currency exposure not hedged
As at 31st March, 2023

(Foreign currency in Lacs)

	USD	EURO	GBP
Trade receivable	50.22	11.88	–
Trade payable	1.99	0.87	–

As at 31st March, 2022

	USD	EURO	GBP
Trade receivable	47.38	5.14	–
Trade payable	2.66	1.07	–

Foreign currency sensitivity
1% increase or decrease in foreign exchanges rates will have the following impact on profit before tax

(₹ in Lacs)

Particulars	31st March, 2023		31st March, 2022	
	1% increase	1% decrease	1% increase	1% decrease
USD	39.44	(39.44)	33.70	(33.70)
EURO	9.76	(9.76)	3.39	(3.39)
GBP	–	–	–	–

Notes forming part of Consolidated Financial Statements
b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk

PARTICULARS	31st March, 2023	31st March, 2022
Borrowings bearing floating rate of interest	750.50	2507.46

Interest rate sensitivity

PARTICULARS	31st March, 2023	31st March, 2022
100 bps increase which decrease the profit before tax by	(7.51)	(25.07)
100 bps decrease which increase the profit before tax by	7.51	25.07

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

Note No 42. Fair value measurement
i) Financial Instruments by category
As at 31st March, 2023
(₹ in Lacs)

Particulars	FVTPL	FVTOCI	Amortized Cost
Financial Assets :			
Investments			
– Equity Share	538.28	–	–
– Preference Share	–	–	–
– National saving certificate	–	–	0.01
Trade receivables	–	–	10479.01
Cash and cash equivalents	–	–	144.63
Bank balances other than cash and cash equivalents	–	–	443.22
Other non current financial assets	–	–	1074.26
Loans	–	–	6000.12
Other financial assets	–	–	379.43
Total financial assets	538.28	–	18520.68
Financial Liability:			
Borrowings	–	–	802.05
Trade payables	–	–	3168.17
Other financial liabilities	–	–	1656.29
Total financial liabilities	–	–	5626.51

As at 31st March, 2022
(₹ in Lacs)

Particulars	FVTPL	FVTOCI	Amortized Cost
Financial Assets:			
Investments			
– Equity Share	1037.93	–	–
– Preference Share	–	–	–
– National saving certificate	–	–	0.01
Trade receivables	–	–	10010.38
Cash and cash equivalents	–	–	417.80
Bank balances other than cash and cash equivalents	–	–	389.23
Other non current financial assets	–	–	1096.30
Loans	–	–	5676.80
Other financial assets	–	–	303.36
Total financial assets	1037.93	–	17893.88
Financial Liability:			
Borrowings	–	–	2588.09
Trade payables	–	–	3989.57
Other financial liabilities	–	–	1747.02
Total financial liabilities	–	–	8326.68

Notes forming part of Consolidated Financial Statements

ii) Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Valuation process to determine fair value

Specific valuation technique is used to determine the fair value of the financial instruments which include:

-Investment in unquoted equity shares- Lowest level input that is significant to the fair value measurement is unobservable.

Financial instrument measured at fair value

As at 31st March 2023

(₹ in Lacs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Equity Instruments	538.28	–	–	538.28
Total	538.28	–	–	538.28

As at 31st March 2022

(₹ in Lacs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Equity Instruments	1037.93	–	–	1037.93
Total	1037.93	–	–	1037.93

Fair Value of Financial instrument measured at Amortised Cost

The carrying amount of short term borrowings, trade payables, trade receivables, cash & cash equivalents and other financial assets and liabilities are considered to be the same as their Fair values, due to their short term nature.

Note No 43. Corporate Social Responsibility (CSR) expenditure

(i) As per section 135 of Companies Act, 2013 gross amount required to be spent by the Company during the year 2022-23 - ₹ 50.23 Lacs (Previous Year 2021-22- ₹ 52.17 Lacs)

(ii) Amount spent on on-going projects by the company as at 31st March, 2023- ₹ Nil Lacs (as at 31st March-2022- ₹ Nil Lacs)

(iii) Amount spent on other on-going projects

(₹ in Lacs)

CSR Activities	As at 31st March, 2023			As at 31st March, 2022		
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
i) Construction/Acquisition of any assets	–	–	–	–	–	–
ii) Purposes other than (i) above	50.23	–	50.23	52.13	–	52.13

Nature of CSR activities include promoting education, development of vocational skills, Distribution of food packets and promoting health care.

Note No. 44 : Interest in other entities

(i) The Consolidated Financial Statements present the Consolidated Accounts of Modern Insulators Limited with its following subsidiary and joint ventures:

A. Subsidiary

Name	Country	Activities	Proportion of ownership of interest	
			As on 31st March, 2023	As on 31st March, 2022
Modern Metal High-Tech Components Pvt. Ltd.	Indian	Construction, EPC etc.	100%	100%

B. Joint Ventures

The company had entered into Joint Venture Agreement with Shriji Designs by incorporating new JV firm M/s Shriji Designs -MIL (JV) to participate in railways EPC tenders. The JV had been awarded tender for design, supply, erection, testing and commissioning of 25 KV OHE between sanwad-nimarkhedhi NTPC siding of western railway. As per the joint venture working agreement entered with Shriji Designs, execution is entirely in the scope of MIL and company has to pay 2% fees to JV partner. Accordingly 100% profit/loss of JV is part of the company.

The company had entered into Joint Venture Agreement with Sikka Engineering Company by incorporating new JV firm M/s SEC-MIL (JV) to participate in railways EPC tenders. As per the joint venture working agreement entered with Sikka Engineering execution of contract ,if any awarded to JV firm will be entirely in the scope of MIL and company will pay 2.25% commission of contract value to JV partner.

Notes forming part of Consolidated Financial Statements
(ii) Summarised performance of Subsidiary and Joint Ventures
(₹ in Lacs)

	Subsidiary		Joint Ventures			
	Modern Metal High-Tech Components Pvt. Ltd.		Shriji Designs MIL JV		SEC MIL JV	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue from operations	-	-	-	529.28	-	-
Profit/(Loss) before tax	(0.08)	(9.83)	(30.13)	17.61	0.03	(0.01)
Tax Expense	-	-	-	-	-	-
Profit/(Loss) after tax	(0.08)	(9.83)	(30.13)	17.61	0.03	(0.01)
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	(0.08)	(9.83)	(30.13)	17.61	0.03	(0.01)
Depreciation and amortisation	-	-	0.23	0.51	-	-
Interest income	-	-	6.15	9.05	-	-
Interest expense	-	-	39.27	76.26	-	-

(iii) Reconciliation of net assets considered for consolidated financial statements to net assets as per financial statement of Subsidiary and Joint Ventures

	Subsidiary		Joint Ventures			
	Modern Metal High-Tech Components Pvt. Ltd.		Shriji Designs MIL JV		SEC MIL JV	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Net assets as per entity's financial statement	463.88	10.13	174.51	211.25	-	0.09
Add/(less): Consolidation adjustment						
- Loan/Investment	(478.28)	(10.00)	(337.14)	(343.75)	-	(0.12)
Net assets as per entity's consolidated financial statement	(14.40)	(0.13)	(162.63)	(132.50)	-	(0.03)

(iv) Reconciliation of profit and loss/other comprehensive income (OCI) considered for consolidated financial statements to profit and loss/ OCI as per financial statements of Subsidiary and Joint Ventures

	Subsidiary		Joint Ventures			
	Modern Metal High-Tech Components Pvt. Ltd.		Shriji Designs MIL JV		SEC MIL JV	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Profit/(Loss) as per entity's financial statement	(0.08)	(9.83)	(30.13)	17.61	0.03	(0.021)
Add/(less): Consolidation adjustment	-	-	-	-	-	-
Profit/(Loss) as per entity's consolidated financial statement	(0.08)	(9.93)	(30.13)	(17.61)	0.03	(0.01)

Note No. 45 : Disclosure mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:
As at 31 st March 2023
(₹ in Lacs)

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit/(loss) after tax		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit	Amount	As a % of other comprehensive income	Amount	As a % of other comprehensive income	Amount
Parent:								
- Modern Insulators Limited	98.39	39044.45	101.08	2829.46	100.00	17.05	101.07	2846.51
Subsidiary:								
- Modern Metal High-Tech Components Pvt. Ltd.	1.17	463.88	-	(0.08)	-	-	-	(0.08)
Joint Venture								
- Shriji Designs MIL JV	0.44	174.51	(1.08)	(30.13)	-	-	(1.07)	(30.13)
- SEC MIL JV	-	-	-	0.03	-	-	-	0.03
Sub total	100.00	39682.84	100.00	2799.28	100.00	17.05	100.00	2816.33
Inter company elimination	-	(815.47)	-	(4.50)	-	-	-	(4.50)
Total	100.00	38867.37	100.00	2794.78	100.00	17.05	100.00	2811.83
Non controlling interests in subsidiary	-	-	-	-	-	-	-	-
Grand Total	100.00	38867.37	100.00	2794.78	100.00	17.05	100.00	2811.83

Notes forming part of Consolidated Financial Statements

As on 31.03.2022

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Trade receivables — considered good							
a. Undisputed	8220.02	1435.48	135.48	68.55	39.22	148.1	10046.85
b. Disputed	—	—	0.02	4.92	49.53	147.38	201.85
c. which have significant increase in credit risk	—	—	—	—	—	—	—
d. credit impaired	—	—	—	—	—	—	—
(II) Trade Receivables- considered doubtful							
a. Undisputed	—	—	—	—	—	—	—
b. Disputed	—	—	—	—	—	—	—
c. which have significant increase in credit risk	—	—	—	—	—	—	—
d. credit impaired	—	—	—	—	—	—	—
Total	8220.02	1435.48	135.50	73.47	88.75	295.48	10248.7
Less: Allowance for bad and doubtful trade receivables							238.32
Total							10010.38

Note No. 48: Ageing of trade payable

As on 31.03.2023

(₹ in Lacs)

Outstanding for period from due date of payments	MSME trade payables		Other than MSME trade Payable		Total	
	Disputed	Undisputed	Disputed	Undisputed	Disputed	Undisputed
Not Due	—	253.83	—	1678.31	—	1932.14
Outstanding less than 1 years	—	20.95	—	1020.85	—	1041.80
Outstanding between 1 year to 2 years	—	—	—	19.16	—	19.16
Outstanding between 2 years to 3 years	—	—	—	15.79	—	15.79
Outstanding More than 3 years	—	—	—	159.28	—	159.28
Total	—	274.78	—	2893.39	—	3168.17

As on 31.03.2022

(₹ in Lacs)

Outstanding for period from due date of payments	MSME trade payables		Other than MSME trade Payable		Total	
	Disputed	Undisputed	Disputed	Undisputed	Disputed	Undisputed
Not Due	—	381.53	—	2039.90	—	2421.43
Outstanding less than 1 years	—	91.28	—	1038.00	—	1129.28
Outstanding between 1 year to 2 years	—	—	—	79.50	—	79.50
Outstanding between 2 years to 3 years	—	—	—	53.54	—	53.54
Outstanding More than 3 years	—	—	—	305.82	—	305.82
Total	—	472.81	—	3516.76	—	3989.57

Note No. 49: Reconciliation of statements submitted to bank for borrowings secured against current assets

As at 31st March, 2023

Quarter	Name of Bank	Particulars of Security Provided	Amount as per books of Accounts	Amounts as reported in Quarterly Statement provided to bank	Difference in Amount	Reason for material Discrepancies
June, 2022	Central Bank of India & Punjab National Bank	Stock	10963.44	10963.44	—	
		Debtors	8660.01	8660.01	—	
		Creditors	3619.57	3619.57	—	
September, 2022		Stock	11479.42	11479.41	0.01	
		Debtors	7849.61	7849.61	—	
		Creditors	2934.51	2934.51	—	
December, 2022		Stock	11406.70	11406.70	—	
		Debtors	9388.01	9388.01	—	
		Creditors	2924.88	2924.88	—	
March, 2023		Stock	10400.40	10199.28	201.12	
		Debtors	10149.44	10118.99	30.45	
		Creditors	2859.69	2617.32	242.37	

There are no material discrepancies in quarterly statement submitted as compare to books of accounts.

Notes forming part of Consolidated Financial Statements

As at 31st March, 2022

Quarter	Name of Bank	Particulars of Security Provided	Amount as per books of Accounts	Amounts as reported in Quarterly Statement provided to bank	Difference in Amount	Reason for material Discrepancies
June, 2021	Central Bank of India & Punjab National Bank	Stock	10248.57	10175.22	73.35	
		Debtors	7332.77	7220.46	112.31	
		Creditors	3123.19	3614.99	(491.80)	
September, 2021		Stock	10659.76	10704.52	(44.76)	
		Debtors	6847.05	6769.30	77.75	
		Creditors	2888.06	3114.42	(226.36)	
December, 2021		Stock	10471.72	10475.21	(3.49)	
		Debtors	8165.64	8120.36	45.28	
		Creditors	3158.47	3338.65	(180.18)	
March, 2022		Stock	9968.16	10101.08	(132.92)	
		Debtors	9541.80	9421.67	120.13	
		Creditors	3094.92	3138.54	(43.62)	

There are no material discrepancies in quarterly statement submitted as compare to books of accounts.

Note No. 50 : Other Statutory Information

- (i) The group do not have any Benami property ,where any proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition)Act 1988as amended and rules made there under.
- (ii) The group have entered into transactions with following companies struck off under section 248 of Companies Act,2013 or section 560 of Companies Act,1956.

Name of Party	Nature of Transactions	Balance Outstanding as on 31.03.2023	Balance Outstanding as on 31.03.2022	Relationship with the struck off Company,if any to be disclosed
Shree Siddhanth Cotex Pvt. Ltd.	Advance to supplier	-	(16.20)	No Relationship

- (iii) The group do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iv) The group have not traded or invested in crypto currency or virtual currency during the financial year.
- (v) The group have not advanced or loaned or invested funds to any other person(s) or entity(ies) ,including foreign entities (intermediaries) with the understanding that the intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate beneficiaries) or
 - provide any guarantee ,security or the like on behalf of the ultimate beneficiaries.
- (vi) The group have not received any fund from any other person(s) or entity(ies) ,including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the group shall:
- directly or indirectly lend or or invest in other persons or entities identified in any manner whatsoever by or on behalf of funding party (Ultimate beneficiaries) or
 - provide any guarantee ,security or the like on behalf of the ultimate beneficiaries.
- (vii) The group have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act,1961 such as ,search or survey or any other relevant provisions of the Income Tax Act,1961.
- (viii) The group have not been declared as willful defaulter by any bank or financial institution or other lenders in accordance with the guidelines issued by Reserve Bank of India.

Note No. 51: The Group has a process whereby periodically all long term contracts (including derivative contract) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

Note No. 52. The Financials Statements were approved for issue by the directors on 29th May, 2023.

Note No 53. Figures for previous years have been regrouped/rearranged/restated wherever considered necessary to make them comparable with the figures for the current year.

As per our report of even date attached

For R B Verma & Associates

 Chartered Accountants
 Firm Registration No. 012650C

Rajesh Verma

Partner

Membership No. 404029

Place : Abu Road

Date : 29th May, 2023

For and on behalf of the Board of Directors

Sachin Ranka – Chairman & Managing Director (DIN : 00335534)

Shreyans Ranka – Whole-Time Director (DIN : 06470710)

P.K. Gokhroo – Executive Director (DIN : 06810797)

R. Raniwala – Independent Director (DIN : 00506419)

S.K. Sharma – Independent Director (DIN : 01378040)

Rahul Singhvi – Independent Director (DIN : 08816920)

Meenu Sacheti – Independent Director (DIN : 02266703)

D.S. Singhvi – Chief Financial Officer

MODERN INSULATORS LIMITED

Registered Office : Talheti, Village Karoli, Teh. Abu Road, Dist. Sirohi - 307510
Phone : 02974-228044 E-mail : compliance@moderninsulators.com
CIN : L31300RJ1982PLC002460

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting hall)
38th Annual General Meeting-28th September, 2023

I hereby record my presence at the THIRTY EIGHT ANNUAL GENERAL MEETING of the Company held at Registered Office of the Company at Talheti, Village Karoli, Teh. Abu Road, Dist. Sirohi - 307510 (Rajasthan) on Thursday the 28th September, 2023 at 11:00 A.M.

Full Name of Member (IN BLOCK LETTERS)

Folio No./ Client IDD.P. ID No. of Shares held

Full Name of Proxy (IN BLOCK LETTERS)

Member's/Proxy's Signature

NOTE : ADMISSION WILL BE STRICTLY PERMITTED FOR SHAREHOLDERS/VALID PROXY HOLDERS ONLY.



MODERN INSULATORS LIMITED

Registered Office : Talheti, Village Karoli, Teh. Abu Road, Dist. Sirohi - 307510
Phone : 02974-228044 E-mail : compliance@moderninsulators.com
CIN : L31300RJ1982PLC002460

PROXY FORM

Name of the member(s) :

Registered Address :

E-mail ID : Folio No./Client Id :

DP ID :

I/We, being the members(s) of Shares of the Modern Insulators Limited, hereby appoint.

1. Name : Address :

Email ID : Signature :, or failing him

2. Name : Address :

Email Id : Signature :, or failing him

3. Name : Address :

E mail Id : Signature :

as may/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th Annual General Meeting of the Company, to be held on Thursday, the 28th September, 2023 at 11:00 A.M. at Talheti, Village Karoli, Teh. Abu Road, Dist. Sirohi - 307510 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

1 2 3 4 5

Signed this day of 2023.

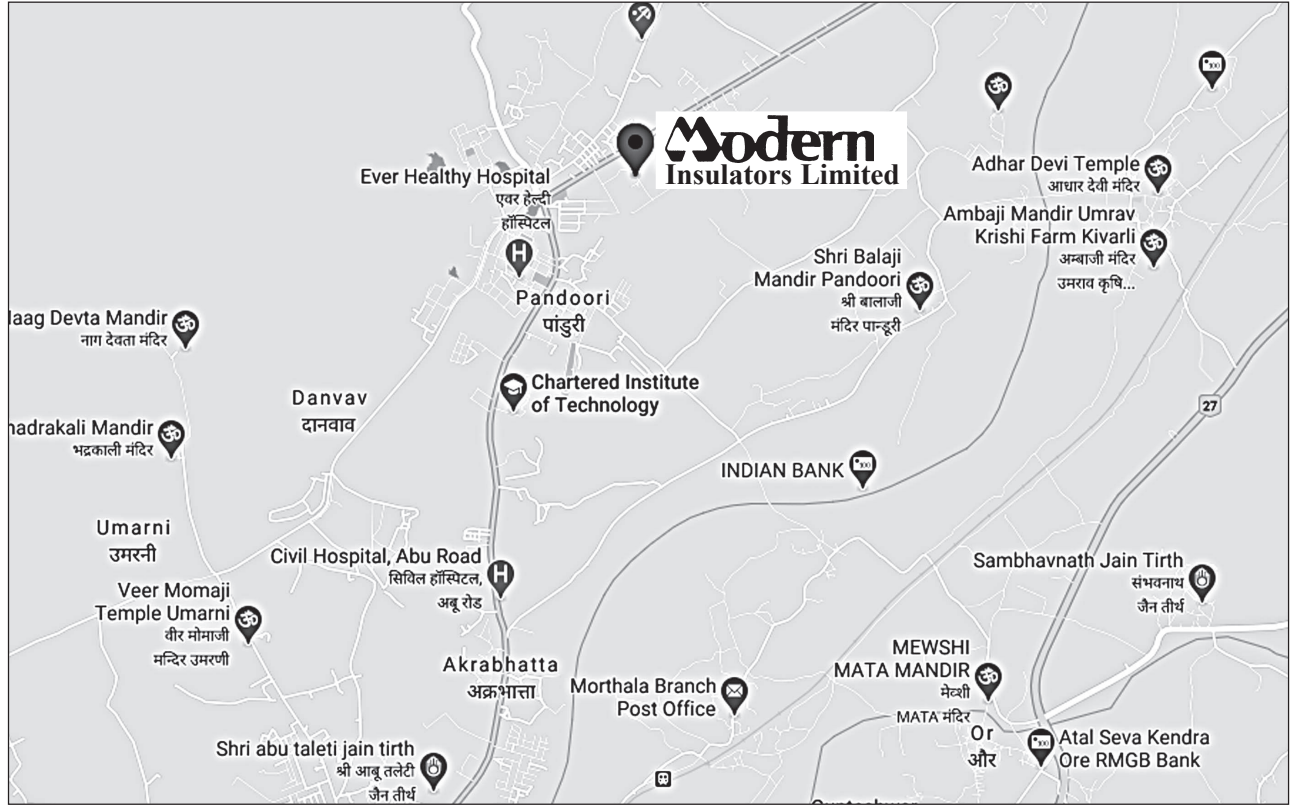
Signature of Shareholder :

Signature of Proxy Holder(s) :

Affix
Re 1/-
Revenue
Stamp

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Talheti, Village Karoli, Teh. Abu Road, Dist. Sirohi - 307510 not less than FORTY EIGHT HOURS before the commencement of the meeting.

Route Map to the venue of AGM



**Book Post
(Printed Matter)**

If undelivered please return to :



**Modern Insulators Limited
Talheti, Village Karoli
Teh. Abu Road, Dist. Sirohi - 307510
(Rajasthan)**