



Marine Electricals (India) Limited

B-1, Udyog Sadan-3, MIDC, Andheri (E), Mumbai-93, India, Tel.: 91-22-40334300 Fax: 91-22-28364045 E-mail: info@marineelectricals.com
Website : www.marineelectricals.com CIN : L31907MH2007PLC176443 (Formerly known as Marine Electricals (I) Pvt. Ltd.)



Ref: MEIL/SEC/2022-23/38

Date: 25th August, 2022

The Manager
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block- G,
Bandra Kurla Complex,
Bandra (East) Mumbai-400 051.
Fax No. 26598235/8237/8347.
Symbol: MARINE

Dear Sir/Madam,

Subject: Annual Report for Financial Year 2021-22

The 15th Annual General Meeting (“AGM”) of the Company will be held on **Monday, 19th September, 2022 at 11:30 A.M. (I.S.T)** through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”).

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Integrated Annual Report of the Company along with the Notice of AGM for the financial year 2021-22 which is being sent only through electronic mode to the Members.

The Integrated Annual Report containing the Notice is also uploaded on the Company’s website at: <https://www.marineelectricals.com/annual-report.html>

You are requested to take the same on record & oblige.

Thanking You.

Yours faithfully,

For Marine Electricals (India) Limited

Ms. Mitali Ambre
Company Secretary and Compliance officer
ACS: 60296



Encl: As above

We are Ready to Change the **Future**

Annual Report
2021-22





Managing electrical distribution efficiently, reliably and safely is primary requirement of all business establishment, be it any Industry, Data Center or Commercial Building.

At Marine Electricals, we help our customers in different segments, across the world to manage complex power distribution and automation systems. Established in 1978, we have been associated with projects of varied criticality and complexity in all the major segments like Shipping, Oil & Gas, Chemicals, Pharmaceuticals, Automobile, Data Centers and Buildings. With time, we have extended our services in manufacturing and supplying electrical vehicle charging solutions. Also, we have started undertaking electrical packages for Naval and Commercial Ships.

We have vast pool of experts and experienced engineers in multi-disciplinary fields to develop new solutions and manage operations. Our manufacturing facilities, certified as per ISO9001, ISO14001 and ISO 45001, has latest state-of-the-art machinery, including CNC turrets & bending machines, automated powder coating plant and a huge assembly area to meet challenging project schedules.

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Mr. Vinay Uchil

Chairman and Executive Director
Marine Electricals (India) Limited

Dear Shareholders,

I hope that you and your families are safe and well. We have been through two years of challenging times posed by the pandemic. The impact continues to be felt with supply chain disruptions and sharp increase in energy, logistics and other input costs. The collective efforts by the medical fraternity, Governments and various organisations has enabled the return to normalcy even as we remain vigilant. Against this backdrop, your Company has delivered competitive, profitable and responsible results. I am pleased to share with you on behalf of our Board of Directors an update on your Company's performance for 2021-22.

India plans to spend \$130 bn on military modernization in the next 5 years, as achieving self-reliance in defence production is a key target for the Government of India. The Government has opened up the Defence industry for private sector participation to provide impetus to indigenous manufacturing. Further, simmering tensions along our northern border have hastened our Governments resolve to enhance self-reliance. This has provided your company with many new opportunities to increase our product offering and solutions to our clients. The Indian Navy has been the leading patron of the indigenisation of defence production capabilities, with a vision of a 200 - strong combat fleet by 2027. In wake of the naval vision, warship construction has witnessed an unprecedented growth. This has been a growth impetus for our Company too. The results are seen in our current order book position which stands at Rs. 3562 million at end of FY 2022 with the increase in portfolio of products to our customers we anticipate a further increase and robust order booking for FY23 as well. Our continued focus on R&D on new product developments & indigenisation and innovative and creative adaptation to emerging situation and adaptive fiscal discipline to sustain, deliver, survive and grow should help us in maintaining our sales revenue and order book position growth

India's march towards energy-efficient urbanisation and rural electrification will continue owing to the Government's continued focus to drive electrification. In addition the relentless drive of the government to provide an attractive alternative for multi national companies to set up manufacturing facilities in India with a continued ease to conduct business has seen many new green field projects being set up. The governments push to improve infrastructure like new airports, hospitals, educational institutions all over the country has opened up a huge opportunity for your company to provide it industrial solutions to these projects. Your company is already a prominent pan India player in providing electrical and automation solutions to our customers.

India data center market is poised to emerge as a potential data center hub for global enterprises. While the number of Internet users is closing 450 million and shows no signs of abating, the continued adoption of the latest technologies has triggered the demand for data storage. Favorable initiatives being pursued by the

MESSAGE FROM CHAIRMAN'S DESK

Government of India toward the establishment of data centers is expected to play a decisive role in driving the growth of the data center industry in India. The data center market in India is getting lucrative in terms of investments, particularly owing to the initiatives being pursued by the Indian Government to migrate all the governance operations to the cloud as part of the efforts to push a digital economy and encourage e-governance. Your company has been providing critical power solutions to major players in the industry and is a preferred partner with many prominent data center operators in the country. With a strong resurgence in our core business your company has taken a conscious call to focus on its core activities and would be not to participate in turnkey EPC solar projects due to uncertainty of policies and profit recognition.

With a strong engineering and R&D capability your company has invested in developing a complete range of EV charging solutions indigenously. We see a great future and explosive growth in Electric vehicles in India and world wide. This business will open a completely new and exciting revenue stream for your company.

People continue to be the fulcrum of your Company's operations and focused attention is given to retention and professional development of talent at all levels. The top management devotes considerable attention to ensuring that employees are given opportunities for professional development and are able to grow along with the businesses they work for.

Further, as a responsible organisation, we continue to work towards empowering communities near our operations by creating livelihoods, promoting health, wellness and education and social inclusion. We ensured sustained engagement with all stakeholders including employees, value chain partners and communities.

I thank all our stakeholders for their continued support. Going forward, we see immense growth opportunities with support from conducive policies. We have created enough growth engines and made necessary investments to be a part of this resurgence. From an organizational standpoint, we are well-prepared for the coming decade and to create value.

Yours Sincerely,

Mr. Vinay Uchil

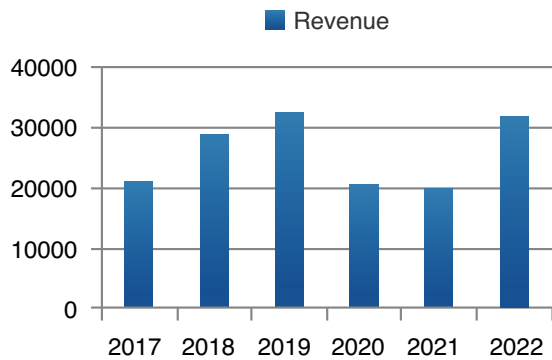
Chairman and Executive Director

FINANCIAL HIGHLIGHTS

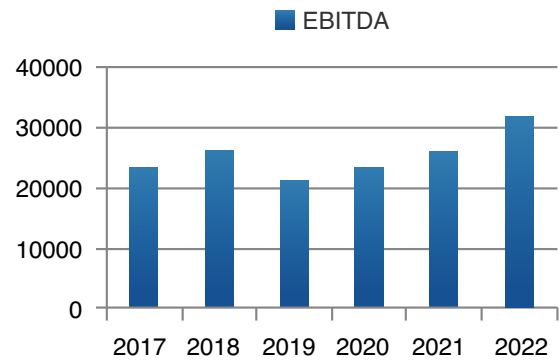
Standalone:

Year	Revenue (In Rs. Lacs)	EBITDA (In Rs. Lacs)	PAT (In Rs. Lacs)	Net Worth (In Rs. Lacs)
2017	20,944.17	2,313.16	861.14	5,874.74
2018	28,766.39	2,622.68	1,172.41	7,547.49
2019	32,323.03	2,072.46	777.72	12,064.64
2020	20,592.22	2,306.03	474.68	12,559.51
2021	19,987.37	2,622.74	782.85	13,387.59
2022	32,288.56	3,169.23	1,246.64	14,416.07

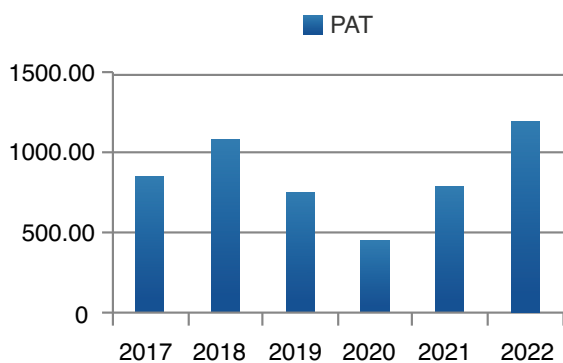
Revenue in Lacs



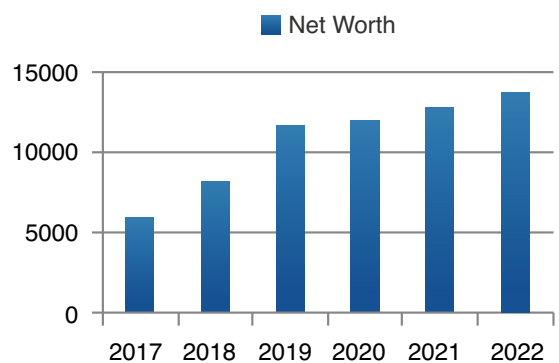
EBITDA in Lacs



PAT In Lacs



Net worth In Lacs

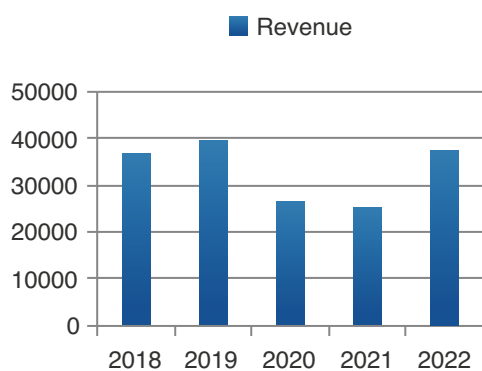


FINANCIAL HIGHLIGHTS

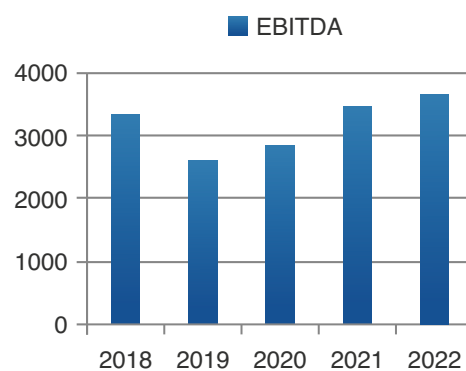
Consolidated:

Year	Revenue (In Rs. Lacs)	EBITDA (In Rs. Lacs)	PAT (In Rs. Lacs)	Net Worth (In Rs. Lacs)
2018	36,880.49	3,442.33	1,626.1	9,554.43
2019	39,984.13	2,608.56	915.24	14,757.31
2020	26,292.52	2,837.84	588.63	15,609.90
2021	25,128.66	3,495.86	1,353.19	16,999.95
2022	37,632.86	3,609.24	1,946.47	18,158.95

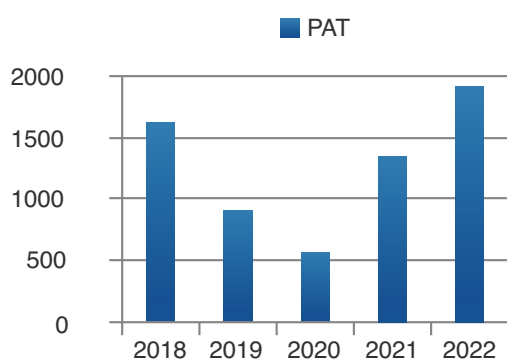
Revenue in Lacs



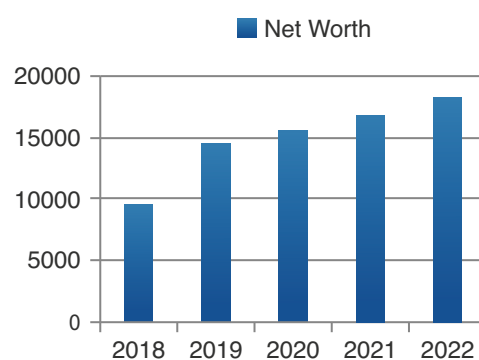
EBITDA in Lacs



PAT In Lacs



Net worth





Mr. Vinay Uchil

Chairman and Executive Director

Mr. Vinay Uchil, aged 51 years, is Chairman & Executive Director and Promoter of the Company. He has Bachelors Degree in Instrumentation from Swami Vivekananda College, Mumbai and MBA in Finance from Narsee Monjee Institute of Management. He has over Two Decades of experience in this Segment. He joined “M/s. Marine Electricals”, as a proprietorship concern in 1995 and since then he is actively involved in Marketing, Finance and Administration functions of the Solar & Marine Division of the Organisation. Currently, he is involved in getting orders from Defense and Public sector undertakings dealing in Shipping. His contribution is instrumental in expanding the business of the Company and had taken business to a new height by diversifying into difference verticals i.e. Defense, Shipping, Marine & Non- Marine Sectors & Renewable Energy.



Mr. Venkatesh Uchil

Managing Director

Mr. Venkatesh Uchil, aged 45 years, is the Managing Director and Promoter of the Company. He has Bachelors Degree in Electronics and Telecommunication from University of Mumbai and Post Graduate Diploma in Management from S. P. Jain Institute of Management, Mumbai. He has over two decades of experience in this Sector. He joined “M/s. Marine Electricals”, as a proprietorship concern in 2002 and since then he is actively involved in procurement, production and technical areas of the entity. He played an instrumental role in strategising and expanding the proprietorship concern to partnership firm and later a Company form of organisation. He started focusing on the marketing Division of the Company and got the orders from various industry / offices / Banks for automation, power management systems & control centers and electrification areas. He has actively participated in timely execution of the Industry orders. He has been guiding force behind the growth and business strategy of the Company.



Mr. Shailendra Shukla

Executive Director (w.e.f 30th June, 2022)

Mr. Shailendra Kumar Shukla, aged 54 years, is the Executive Director (w.e.f 30th June, 2022) on the Board of Company. He has Bachelors Degree in Electronics and Communications Engineering from University of Marathwada, Masters Degree in Administrative Management, Post Graduate Diploma in Weapon Control Systems from INS Valsura and Masters in Administration from Narsee Monjee Institute of Management Studies, Mumbai. Mr. Shukla has served at many Senior Level positions including Vice President and Managing Director in foreign Multinational Companies. He has around three decades of experience in Maritime, Technology and Defence Industries.



Mr. Madan Pendse

Non-Executive Independent Director

Mr. Madan Pendse, aged 71 years, is the Non-Executive Independent Director on the Board of Company. He has a Bachelor's Degree in Commerce and Master's Degree in Business Administration. Mr. Pendse has around four decades of experience in Finance and Accounts functions including 28 years in Mazagon Dock Limited (now known as Mazagon Dock Shipbuilders Limited) at various positions including General Manager (F&A). He has been working as CFO & KMP at Reliance Naval and Engineering Limited since last 3 years. He acts as a Director on the board of various subsidiaries of Reliance Naval and Engineering Limited.



Dr. Tanuja Pudhierkar

Non-Executive Non-Independent Director

Dr. Tanuja Pudhierkar, aged 49 years, is the Non Executive Non-Independent Director on the Board of Company. She is M.D in Obstetrics, & Gynaecology from University of Mumbai and has also undergone various Diploma Courses such as Diploma in Gynaecology& Obstetrics, Diploma in Artificial Reproductive Medicine, Diploma in Advanced Gynaecological Endoscopy, Diploma in Specialised Advanced Gynaecological Endoscopy. Further, she holds Bachelor's Degree of Medicine & Bachelor's Degree of Surgery (M.B.B.S.), from University of Mumbai. She has around two decades of experience in the field of Gynaecology& Obstetrics. She was associated with various hospitals such as K.E.M Hospital, Nowrosjee Wadia Maternity Hospital, Cooper Hospital and has been a consultant Obstetrician & Gynaecologist at Oma Hospital, Cozy Clinique & Nursing Home and Dr. Shankar's Polyclinic.



Admiral Nikunj Mishra

Non-Executive Independent Director

Admiral Nikunj Mishra, aged 67 years, is the Non Executive Independent Director on the Board of Company. He has completed M.Tech (Computer Science) from IIT Bombay and PG Diploma in Business Management from IGNOU. He has around 38 years of experience including about 34 years of experience in India Navy at various levels and 4 years of experience in Hindustan Shipyard Limited as Chairman & Managing Director. He has been the Defence Attaché at Embassy of India, Rome. Further, he has been adjudged as the "Best Naval Cadet" at National Defence Academy, Pune and has stood first in overall order of Merit at Naval Engineering Course and Advanced Electronics Engineering Course. He was also awarded "Nao Sena Medal" by the President of India for successful completion of Aircraft Carrier Modernisation in record time and was appreciated with many such awards in the year 2013-2014.



Mr. Vikas Jaywant

Non-Executive Independent Director

Mr. Vikas Jaywant, aged 64, is the Non-Executive Independent Director on the Board of Company. He holds Bachelors Degree in Electrical Engineering (B.E. Electrical) and he has done his Masters in Marketing Management (MMM) from Jamnalal Bajaj Institute of Management Studies. He is a certified Energy Auditor and a Chartered Engineer. Vikas has over two decades of Work experience with companies like Crompton and Greaves and Schneider Electric Ltd. He is Promoter Director of Oasys Energy & Applied Technologies Pvt Ltd since 2014.



Mr. Mohan Rao

Non-Executive Independent Director

Mr. Mohan Rao, aged 74 Years, is the Non-Executive Independent Director on the Board of Company. He holds Bachelors Degree in Science and he has done his Masters in Science (MSC) (Physics) from Mumbai University. He's been on the Board of Companies like Konkan Barge Builders Pvt Ltd and Vipul Shipyard Pvt Ltd. Since last 10 years he's acting as Consultant of Modest Shipyard Pvt Ltd. He was member of National Shipping Board constitutes by Ministry of Shipping in 2002 and also a member of High Powered Committee for drafting the National Shipping Policy for the First Time in 1996.



Ms. Archana Rajagopalan

Non-Executive Independent Director

Ms. Archana Rajagopalan, aged 50 years, is the Non-Executive Independent Director on the board of the company. She is a Chartered Accountant and Certified Information Systems Auditor (from ISACA, U.S.A) She has done her Bachelor's degree in Commerce from Hyderabad and has a diploma in Information Technology Systems Audit (from ICAI). She has an experience of over 18 years in various roles and Industries and has been associated with companies like Ditech Process Solutions Private Limited, as Chief Operating Officer, Hiranandani Group of Companies, as Manager, Finance, in Hiranandani Foundation School, as Consultant. She is currently working as an Associate partner with IXCFO Services Private Limited, Mumbai, since last 7 years and handles various assignments of the firm in Strategic Finance Roles.

BOARD OF DIRECTORS

Mr. Vinay K Uchil
(Chairman and Executive Director)

Mr. Venkatesh K Uchil
(Managing Director)

Dr. Tanuja Pudhierkar
(Non-Executive Non - Independent Director)

Mr. Shailendra Shukla
(Executive Director w.e.f 30th June, 2022)

Mr. Madan Pendse
(Non-Executive Independent Director)

Mr. Nikunj Mishra
(Non-Executive Independent Director)

Mr. Vikas Jaywant
(Non-Executive Independent Director)

Mr. Mohan Rao
(Non-Executive Independent Director)

Ms. Archana Venkata Rajagopalan
(Non-Executive Independent Director)

STATUTORY AUDITOR

Saini Pati Shah & Co LLP
(formerly known as S G J & Co.)
Chartered Accountants
D-207, Times Square, Near Marol Naka Metro
Station, Andheri Kurla Road, Andheri (E) Mumbai -
400 059

SECRETARIAL AUDITOR

R. Bhandari & Co
CS Raghunath Bhandari
Company Secretaries
Office No.9, 1st Floor, Behind "B" Wing, Pushp Vinod
No.1, S. V. Road, Borivali, Mumbai - 400 092.

REGISTRAR AND SHARE TRANSFER AGENTS

Bigshare Services Pvt. Ltd.
Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai - 400093
Website : www.bigshareonline.com
Tel No: 022-62638200 / 022-62638295
Email id: investor@bigshareonline.com

CHIEF FINANCIAL OFFICER

Ms. Namita Sethia
(30th July, 2020 to 30th July, 2022)

Mr. U. M. Bhakthavalsalan
(w.e.f. 4th August 2022)

BANKERS

Axis Bank
IndusInd Bank
ICICI Bank
State Bank of India

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Mitali Ambre (27th February, 2021)

SHARES LISTED ON

National Stock of Exchange of India Limited
Symbol: MARINE
INE01JE01028

REGISTERED OFFICE ADDRESS

B/1, Udyog Sadan NO.3, MIDC, Andheri
(E), Mumbai - 400 093

PLANT LOCATIONS

Mumbai Plant : B/1, Udyog Sadan NO.3, MIDC,
Andheri (E), Mumbai - 400 093
Goa Plant : Plot No. 17, 18 and Plot No. N-51, N-52,
N-54, N-55, N-56, N-57, N-59, N-60 Verna
Industrial Estate, Goa.

Notice is hereby given that the 15th Annual General Meeting (AGM) of Members of **Marine Electricals (India) Limited** (CIN: L31907MH2007PLC176443) (the 'Company') will be held Monday, 19th September, 2022 at 11:30 A.M. (I.S.T) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. Adoption of Accounts :

To receive, consider and adopt the Audited Financial Statement of the Company (Standalone and Consolidated Financial Statement) for the financial year ended 31st March, 2022 together with the reports of the Board of Directors and the Auditors thereon.

2. Retirement by Rotation:

To appoint a Director in place of Dr. Tanuja Pudhierkar (DIN:08190742), who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESS:

3. To consider re-appointment of Mr. Madan Pendse (DIN: 07650301) as an Independent Director for a second and final term of 3 (three) years effective from 11th July, 2023 till 10th July, 2026 and continuation of directorship after attainment of 75 years of age.

To consider and if thought fit, to pass following resolution with or without modification(s) as a **SPECIAL RESOLUTION**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the consent of the shareholders be and is hereby accorded for the re-appointment of Mr. Madan Pendse (DIN: 07650301) who was appointed as an Independent Director of the Company for a term of 5 years upto 10th July, 2023 by the shareholders and in respect of whom the Company has received a notice in writing from the Director under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for a second and final term of 3 (three) years effective immediately after expiry of his current term on 10th July, 2023 i.e. from 11th July, 2023 till 10th July, 2026.

RESOLVED FURTHER THAT the consent of the shareholders be and is hereby accorded for continuation of directorship of Mr. Madan Pendse as an Independent Director on Board after attaining the age of 75 years"

RESOLVED FURTHER THAT the Chairman of the Company or Managing Director or Company Secretary be and are hereby severally authorised to do such acts, things, deed, matters in relation to the above resolution."

4. To consider re-appointment of Mr. Nikunj Mishra (DIN: 03589730) as an Independent Director for a second and final term of 5 (five) years effective from 11th July, 2023 till 10th July, 2028.

To consider and if thought fit, to pass following resolution with or without modification(s) as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the consent of the Shareholders be and is hereby accorded for the re-appointment of Mr. Nikunj Mishra (DIN : 03589730) who was appointed as an Independent Director of the Company for a term of 5 years upto 10th July, 2023 by the shareholders and in respect of whom the Company has received a notice in writing from the Director under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for a second and final term of 5 (Five) years effective immediately after expiry of his current term on 10th July, 2023 i.e. from 11th July, 2023 till 10th July, 2028."

RESOLVED FURTHER THAT the Chairman of the Company or Managing Director or Company Secretary be and are hereby severally authorised to do such acts, things, deed, matters in relation to the above resolution.”

5. **To consider re-appointment of Mr. Mohan Rao (DIN: 02592294) as an Independent Director for a second and final term of 3 (three) years effective from 30th May, 2023 till 29th May, 2026 and continuation of directorship after attainment of 75 years of age.**

To consider and if thought fit, to pass following resolution with or without modification(s) as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the consent of the shareholders be and is hereby accorded for the re-appointment of Mr. Mohan Rao (DIN: 02592294) who was appointed as an Independent Director of the Company for a term of 3 years upto 29th May, 2023 by the shareholders and in respect of whom the Company has received a notice in writing from the Director under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for a second and final term of 3 (three) years effective immediately after expiry of his current term on 29th May, 2023 i.e. from 30th May, 2023 till 29th May, 2026.

RESOLVED FURTHER THAT the consent of the shareholders be and is hereby accorded for continuation of directorship of Mr. Mohan Rao as an Independent Director on Board after attaining the age of 75 years subject to the approval of the shareholders at the general meeting”

RESOLVED FURTHER THAT the Chairman of the Company or Managing Director or Company Secretary be and are hereby severally authorised to do such acts, things, deed, matters in relation to the above resolution.”

6. **To consider and approve change in Designation of Mr. Shailendra Shukla (DIN: 08049885) from Non Executive Non Independent Director to Executive Director.**

To consider and if thought fit, to pass following resolution with or without modification(s) as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to provisions of Sections 152, 196 of the Companies Act, 2013 and any other applicable provisions thereof and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the necessary approval(s), permissions, consents and sanctions required, if any by the statutory authorities and all other applicable laws and regulations if any, and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board, the consent of the shareholders be and is hereby accorded for change in designation of Mr. Shailendra Shukla (DIN: 08049885), from Non Executive Non Independent Director to Executive Director of the Company for a period of 3 years effective from 30th June, 2022 on such terms and conditions of appointment and remuneration as approved by the Board of Directors.

RESOLVED FURTHER THAT the Chairman of the Company or Managing Director or Company Secretary be and are hereby severally authorised to do such acts, things, deed, matters in relation to the above resolution.”

7. **ALTERATION OF THE CLAUSE 4(ii) OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

To consider and if thought fit, to pass following resolution with or without modification(s) as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof for the time being in force), and subject to the necessary approval(s), permissions, consents and sanctions required, if any by the statutory authorities and all other applicable laws and regulations if any, approval of the members of the Company be and is hereby accorded to alter the Articles of Associations of the Company by substituting the existing Clause 4(ii) thereof with the following new Clause 4(ii) as under:

4 (ii) Subject to the provisions of the Companies Act 2013 and the applicable Rules made thereunder, the Company/Board shall have power to issue/ allot shares and/or other securities, whether on preferential basis or otherwise, from time to time and the shares shall be under the control of the Directors who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such times as the Directors think fit.

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take all the requisite, incidental, consequential steps to implement the above resolution and to perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, any question, query, or doubt that may arise in this regard, and to execute/publish all such notices, deeds, agreements, papers and writings as may be necessary and required for giving effect to this resolution.”

8. Issue of Convertible Warrants on Preferential Basis.

To consider and if thought fit, to pass following resolution with or without modification(s) as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 23(1)(b), 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, (“the Act”) read with all applicable Rules and laws (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), provisions of Chapter V and other applicable provisions, if any, of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be modified or re-enacted from time to time (“SEBI (ICDR) Regulations”), the applicable Rules, Notifications, Guidelines, Policies, Procedures issued by various authorities including but not limited to the Government of India, the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”) and other competent authorities and subject to necessary approvals, permissions, sanctions and consents as may be required from any regulatory or other appropriate authorities (including but not limited to the SEBI, RBI, the Government of India, etc.), if any, and further subject to such terms, conditions, alterations, corrections, changes, variations and/ or modifications as may be prescribed or imposed by the Appropriate Authorities while granting any such approvals, permissions, consents and sanctions and all such other approvals which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution), the consent and approval of the members of the company be and is hereby accorded to the Board and the Board be and is hereby authorized in its absolute discretion to create, offer, issue and allot, in one or more tranches, to the Promoters and Non-Promoters as mentioned below (hereinafter referred to as the “Proposed Allottees”) on preferential basis upto 1,00,00,000 (One Crore) Convertible Warrants (hereinafter referred to as “warrants”) carrying an entitlement to subscribe to an equivalent number of equity shares of face value of Rs. 2/- each at a price of Rs. 29.25/- each [Rupees Twenty Nine and Twenty Five Paise Only] (including premium of Rs. 27.25/- each [Rupees Twenty Seven and Twenty Five Paise Only]) or at a price being not lower than the minimum price calculated in accordance with the Regulations for Preferential Issue contained in Chapter V of SEBI (ICDR) Regulations as amended, whichever is higher and the details of the securities to be issued are as follows:

Name of Applicant (Proposed Allottees)	Maximum No. of warrants proposed to be allotted
Promoters (A)	
KDU Enterprises Private Limited	20,00,000
Mr. Venkatesh K Uchil	10,00,000
Mr. Vinay K Uchil	10,00,000
Sub-Total (A)	40,00,000
Non-Promoters (B)	
Bishan Narain Mittal HUF	7,00,000
Ms. Aarti Mukesh Bhanushali	6,50,000
Mr. Mukesh Kanji Bhanushali	6,50,000
Aptrans Portfolio Private Limited	6,00,000
Mr. Bimal Natvarlal Mehta	6,00,000

Name of Applicant (Proposed Allottees)	Maximum No. of warrants proposed to be allotted
Ms. Dhvani Bimal Mehta	6,00,000
Mr. Manoj Bishan Mittal	5,50,000
Mr. Vishnukumar Vitthaldas Patel	2,50,000
Mr. Harsh Vishnubhai Patel	2,50,000
Ms. Ashaben Vishnukumar Patel	2,50,000
Ms. Zalak Bipinchandra Patel	2,50,000
Ms. Yogita Manoj Mittal	2,00,000
Mr. Bishan Narain Mittal	2,00,000
Mittal Capital Finvest Private Limited	2,00,000
Ms. Bhavika Mittal	50,000
Sub-Total (B)	60,00,000
Total (C) = (A+B)	1,00,00,000

RESOLVED FURTHER THAT each of the aforesaid Warrants be converted at the option of the holder at any time within 18 months from the date of issue, in one or more than one tranches, in to one fully paid-up Equity Share of face value of Rs. 2/- each and an amount equivalent to atleast 25% of the price fixed as above shall be received against each warrant on or before the date of the allotment of aforesaid Warrants and the balance 75% of the price fixed as above be received at the time of allotment of Equity Shares pursuant to exercise of option against each such warrant by the warrant holder;

RESOLVED FURTHER THAT the monies to be received by the Company from the Proposed Allottees for subscription of the Warrants pursuant to the Preferential Issue shall be kept by the Company in a separate account opened by the Company for this purpose and shall be utilized by the Company in accordance with the provisions of the Act;

RESOLVED FURTHER THAT the warrants and the equity shares on conversion of the aforesaid warrants to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company;

RESOLVED FURTHER THAT the equity shares to be allotted on conversion of aforesaid warrants shall rank pari passu in all respects with the existing equity shares of the Company including Dividend;

RESOLVED FURTHER THAT In the event of the Company making a bonus issue of shares or making rights issue of shares or any other securities in whatever proportion or any corporate action prior to the exercise of the rights attached to the warrants, the entitlement of the holders shall stand augmented in the same proportion in which the equity share capital of the company increases as a consequence of such bonus/rights issues or any corporate action and that the exercise price of the warrants to be adjusted accordingly, subject to such approvals as may be required

RESOLVED FURTHER THAT the Relevant Date, as stipulated in the Regulation 161 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for determination of the Issue Price of warrants and equity shares shall be thirty (30) days prior to the date of this meeting where the proposed preferential Issue is being considered for approval of the members of the Company or in the case where the Relevant Date falls on Weekend/Holiday, the day preceding the Weekend/Holiday will be reckoned to be the Relevant Date;

RESOLVED FURTHER THAT the warrants and the equity shares to be allotted on conversion of the aforesaid warrants on preferential basis shall be locked in for such period as prescribed in Regulation 167 of Chapter V of SEBI (ICDR) Regulations;

RESOLVED FURTHER THAT the Board be and is hereby authorized to approve the other terms and conditions of the issue and also to vary, alter or modify any of the terms and conditions in the proposal as may be required by the agencies/authorities involved in such issues but subject to such conditions as the Reserve Bank of India (RBI)/Securities and Exchange Board of India (SEBI) and/or such other appropriate authority may impose at the time of their approval and as agreed to by the Board;

RESOLVED FURTHER THAT the equity shares to be allotted on conversion of the aforesaid warrants, be listed on the stock exchange where the shares of the Company are listed and that the Board be and is hereby authorized to make the necessary applications and to take all other steps as may be necessary for the approval of allotment of warrants and equity shares on conversion of warrants and listing of such equity shares and for the admission of such equity shares with the depositories, i.e. NSDL & CDSL, and for the credit of such warrants or equity shares to the holders dematerialized securities account;

RESOLVED FURTHER THAT for the purpose of creating, issuing, offering and allotting warrants and the equity shares on conversion of the aforesaid warrants of the Company, the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and in particular to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing and allotting of warrants and equity shares on conversion of the aforesaid warrants of the Company, as it may, in its absolute discretion, deem fit and proper;

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any other Director or Directors or Company Secretary or any other officer(s) or employee(s) of the Company or any advisor, as it may consider appropriate in order to give effect to this Resolution.”

NOTE:

1. In view of the ongoing COVID-19 pandemic and pursuant to General Circulars No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021 and No. 2/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (collectively referred to as 'Circulars'), the Company is convening the 15th AGM through Video Conferencing ('VC') or Other AudioVisual Means ('OAVM'), without the physical presence of the Members. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at B/1, Udyog Sadan No.3, MIDC, Andheri (E), Mumbai - 400093 which shall be deemed venue of the AGM.
2. The relative Explanatory Statements, pursuant to Section 102 of the Act, in respect of the Special Business set out under Items No. 3, 4, 5, 6, 7 & 8, of the accompanying Notice are annexed hereto.
3. In terms of Section 152 of the Act, Dr. Tanuja Pudhierkar Non Executive Non Independent Director, shall retire by rotation at the ensuing AGM. Dr. Tanuja Pudhierkar (DIN:8190742) being eligible, offers herself for re-appointment. The Board of Directors of the Company recommends re-appointment of Dr. Tanuja Pudhierkar.
4. A statement giving additional details of the Director(s) seeking appointment /re-appointment at this AGM as set out at Item No. 2, 3, 4, 5 & 6 of this Notice are annexed herewith as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.
5. Pursuant to the provisions of the Companies Act, 2013 ("Act") a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate Members are required to send, (before e-voting/ attending AGM) a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM, pursuant to section 113 of the Act on the e-mail id cs@marineelectricals.com not later than **Friday, 16th September, 2022**.
6. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

7. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date of **Monday, 12th September, 2022**.
8. Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“the Rules”) as amended from time to time, all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of IEPF Authority. The details of dividend paid by the Company and the corresponding due dates for transfer of uncashed dividend to IEPF are furnished hereunder:

Year ended	Interim / Final Dividend	Date of Declaration	Tentative Date for transfer to IEPF
31.03.2021	Final Dividend	28.09.2021	03.11.2028

Members who have not encashed the dividend so far in respect of the above financial year, are therefore, requested to make their claims to the Registrar & Transfer Agent of the Company or the Company at its Registered Office, with full details.

9. In compliance with the aforesaid MCA Circulars and SEBI Circulars the Notice calling the AGM and Annual Report 2021-22 has been uploaded on the website of the Company at <https://www.marineelectricals.com/annual-report.html> The Notice can also be accessed from the website of National Stock Exchange of India Limited (NSE) at www.nseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
10. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and ClientID/folio number, PAN, mobile number at cs@marineelectricals.com from **Tuesday, 13th September, 2022** (9:00 a.m. IST) to **Friday, 16th September, 2022** (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the above mentioned Circulars issued by the MCA the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by NSDL.
12. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, 13th September, 2022 to Monday, 19th September, 2022 (both days inclusive)** for the purpose of Annual General Meeting (AGM).
13. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Bigshare Services Private Limited, Company’s Registrar and Share for assistance in this regard.
14. The Securities and Exchange Board of India (SEBI) has recently mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from January 01, 2022, any service requests or complaints received from the

member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. On or after April 01, 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at <https://www.marineelectricals.com/images/report/Furnishing-of-PAN-KYC-details-and-Nomination-by-holders-of-physical-securities.pdf>

15. Members holding shares in dematerialized form are requested to notify any change in their addresses, bank details or e-mail address with their respective DP and those holding shares in physical form are requested to notify the RTA at the following address:

Bigshare Services Pvt. Ltd.

Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai - 400093
Tel No: 022-62638200/022-62638295
Email id: investor@bigshareonline.com

16. Members holding shares in physical form are advised to avail the Nomination facility in respect of their shares by filling the prescribed form. Members holding shares in electronic form may contact their DP for recording their Nomination.
17. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
18. Members seeking any information with regard to the Accounts or any matter to be placed at the AGM, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act and relevant documents referred to in the accompanying Notice and in the Explanatory Statement are requested to write to the Company on or before **Friday, 16th September, 2022** through e-mail on cs@marineelectricals.com. The same will be replied by the Company suitably.
19. Members seeking any information with regard to any matters be placed at the AGM, are requested to write well in advance to the Company on the same will be replied by the Company suitably.
20. The Company's Statutory Auditors, SAINI PATI SHAH & CO LLP (Formerly known as SGJ & Co), Chartered Accountants, registered with the Institute of Chartered Accountants of India vide registration number 137904W / W100622, were appointed as Statutory Auditors of the Company for a period of five (5) consecutive years at the Annual General Meeting ("AGM") of the Members held on 31st August 2018 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from 7th May, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought.

The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

21. **Voting through electronic means:**

- a. The remote e-voting period begins on **Thursday, 15th September, 2022 at 9:00 A.M. and ends on Sunday, 18th September at 5:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **Monday, 12th September, 2022** may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Monday, 12th September, 2022.**

- b. Members joining the meeting through VC, who have not already cast their votes by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
- c. The voting rights of the Members shall be in proportion to their shares in the paid-up share capital of the Company as on the cut-off date, being **Monday, 12th September, 2022**
- d. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. **Monday, 12th September, 2022** may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on toll free no. 18001020990 and 1800224 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cutoff date i.e. **Monday, 12th September, 2022** may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.
- e. The Company has appointed Akansha Rathi & Associates, Practicing Company Secretary (Membership No. 9288, COP: 10134) as the Scrutinizer to scrutinize the voting and remote e-Voting process in a fair and transparent manner.
- f. The Scrutinizer shall, immediately after the conclusion of the AGM, count the votes cast at the AGM and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than two working days of the conclusion of the AGM to the Chairman or a person authorised by him. The Chairman or any other person authorised by the Chairman, shall declare the result of the voting forthwith.
- g. The resolution will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions. The results declared along with the scrutinizers report shall be placed on the Company's website <https://www.marineelectricals.com/> and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared by the Chairman.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

How do I vote electronically using NSDL e-Voting system?




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

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular 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.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on   
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration

Type of shareholders	Login Method
	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL 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 abovementioned website.

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

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

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

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

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

4. Your User ID details are given below :

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

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

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to akansha@aracs.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@marineelectricals.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@marineelectricals.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.](#)

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@marineelectricals.com from **Tuesday, 13th September, 2022 (9:00 a.m. IST) to Friday, 16th September, 2022 (5:00 p.m. IST)**. The same will be replied by the company suitably.

In case of any grievances connected with facility for e-voting, please contact:

- A. Ms. Pallavi Mhatre, Manager
E-voting Helpdesk
National Securities Depository Limited
Email: evoting@nsdl.co.in
Phone: 022 - 24994545
- B. Ms. Mitali Ambre, Company Secretary and Compliance Officer
Marine Electricals (India) Limited
Registered Address: B/1, Udyog Sadan NO.3, MIDC, Andheri (E), Mumbai - 400093
Email: cs@marineelectricals.com
Phone: 022 40334300

C. Mr. Bhagwan
Bigshare Services Pvt Ltd (RTA)
Registered Office: Office No S6-2, 6th floor Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400093,
Email: bhagwan@bigshareonline.com
Phone: 022 62638200

By Order of the Board of Directors

Mr. Vinay Uchil
Chairman and Executive Director
DIN: 01276871

Mumbai, 22nd August 2022

Registered Office:

B/1, Udyog Sadan NO.3, MIDC, Andheri (E), Mumbai - 400093

CIN : L31907MH2007PLC176443

Email ID : cs@marineelectricals.com

[Website: www.marineelectricals.com](http://www.marineelectricals.com)

Tel. No : 91-22-4033 4300

Explanatory Statement pursuant to Section 102 of the Act

Pursuant to Regulation 36(3) of the Listing Regulations read with Section 102 of the Act, the following explanatory statement sets out all material facts relating to Item No. 3, 4, 5, 6, 7 & 8 of the Notice

Item No 3

Mr. Madan Pendse (DIN: 07650301) was appointed as Independent Director on the Board of the Company under the Companies Act 2013.w.e.f. 11th July, 2018. His first term of five years is getting completed on 10th July, 2023.

Mr. Madan Pendse holds Bachelor's Degree in Commerce and a Master's Degree in Business Administration. Mr. Pendse has around four decades of experience in Finance and Accounts functions including 28 years in Mazagon Dock Limited (now known as Mazagon Dock Shipbuilders Limited) at various post including General Manager (F&A) and 2 years in Reliance Defence Engineering Limited as CFO & Controller (Finance). During his tenure, he was also appointed as Director on the board of various subsidiaries of Reliance Defence and Engineering Limited. He currently, works as a freelancer finance and tax consultant. His contributions to board's discussions and decisions on various strategic matters especially on financial and investment related areas have been significant and beneficial to the Company.

Further as per Regulation 17 (1A) SEBI (LODR) 2015, no company shall appoint or continue the directorship of any person as a non-executive director who has attained the age of 75 years unless a special resolution is passed to that effect. Mr. Madan Pendse will complete 75 years on 21st March 2026 and thereafter his continuation on the Board of the Company shall require approval of the shareholders.

Based on the recommendations of the NRC considering his expertise, experience and contribution and performance evaluation of directors, the Board of Directors has proposed to the shareholders his re-appointment for a second and final term of 3 (three) years effective immediately after expiry of his current term on 10th July, 2023 i.e. from 11th July, 2023 till 10th July, 2026 and for continuation of directorship of Mr. Madan Pendse as an Independent Director on Board after attaining the age of 75 years.

His re-appointment proposal is in line with the Company's policy on Director's appointment and remuneration and he shall not be liable to retire by rotation at the Annual General Meeting as provided under Section 152(6) of the Companies Act, 2013. He continues to fulfil the conditions for re-appointment as an Independent Director as specified in the Act and SEBI LODR. Mr. Madan Pendse is not disqualified from being appointed as a Director in terms of section 164 of the Act and has consented for his re-appointment.

The Company has received a declaration from him that he meets with the criteria of independence as prescribed both under Section 149(6) of the Act and provisions of SEBI LODR, has registered with the Independent Director databank maintained by Indian Institute of Corporate Affairs (IICA) and has passed the requisite proficiency test.

In the opinion of Board, Mr. Madan Pendse fulfils the conditions for re-appointment as an Independent Director as specified in the relevant provisions of the Act and SEBI LODR and he is independent of management of the Company. Other information relating to his re-appointment in accordance with Secretarial Standard –SS-2 and Regulation 36(3) of SEBI LODR is annexed to the Notice.

The terms and conditions of re-appointment as an Independent Director is available for inspection by members at the registered office of the Company during the working hours up to the date of AGM and also on the investor section of website of the Company www.marineelectricals.com .His re-appointment will also be governed by the policy of the Company as applicable to the Board of Directors.

Mr. Madan Pendse is interested in the resolution as it relates to his own appointment. None of the other Directors and KMP of the Company and their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their shareholding, if any, in the Company. The Board recommends passing the resolution as set out at item no.3 of this notice as a special resolution.

Item No 4:

Mr. Nikunj Mishra (DIN: 03589730) was appointed as Independent Director on the Board of the Company under the Companies Act 2013.w.e.f. 11th July, 2018 .His first term of five years is getting completed on 10th July, 2023.

Mr. Nikunj Mishra has completed M Tech (Computer Science) from IIT Bombay and PG Diploma in Business Management from IGNOU. He has around 38 years of experience including about 34 years of experience in India Navy at various levels and 4 years of experience in Hindustan Shipyard Limited as Managing Director. Further, He has been accredited as the "Best Naval Cadet" from National Defence Academy, Pune and has Stood First in overall order of Merit at Naval Engineering Course and Advanced Electronics Engineering Course. He was also awarded "Nao Sena Medal" by the President of India for successful completion of Aircraft Carrier Modernisation in record time and was appreciated with many such awards in the year 2013-2014.

As a Non executive Independent Director of our Company, his contributions for providing his expertise in Administration, Management and compliance related matters of our Company have been significant and beneficial to the Company.

Based on the recommendations of the NRC considering his expertise, experience and contribution and performance evaluation of directors, the Board of Directors has proposed to the shareholders his re-appointment for a second and final term of 5 (Five) years effective immediately after expiry of his current term on 10th July, 2023 i.e. from 11th July, 2023 till 10th July, 2028."

His re-appointment proposal is in line with the Company's policy on Director's appointment and remuneration and he shall not be liable to retire by rotation at the Annual General Meeting as provided under Section 152(6) of the Companies Act, 2013. He continues to fulfil the conditions for re-appointment as an Independent Director as specified in the Act and SEBI LODR. Mr. Nikunj Mishra is not disqualified from being appointed as a Director in terms of section 164 of the Act and has consented for his re-appointment.

The Company has received a declaration from him that he meets with the criteria of independence as prescribed both under Section 149(6) of the Act and provisions of SEBI LODR, has registered with the Independent Director databank maintained by Indian Institute of Corporate Affairs (IICA) and is exempted from the requisite proficiency test.

In the opinion of Board, Mr. Nikunj Mishra fulfils the conditions for re-appointment as an Independent Director as specified in the relevant provisions of the Act and SEBI LODR and he is independent of management of the Company. Other information relating to his re-appointment in accordance with Secretarial Standard –SS-2 and Regulation 36(3) of SEBI LODR is annexed to the Notice.

The terms and conditions of re-appointment as an Independent Director is available for inspection by members at the registered office of the Company during the working hours up to the date of AGM and also on the investor section of website of the Company www.marineelectricals.com .His re-appointment will also be governed by the policy of the Company as applicable to the Board of Directors.

Mr. Nikunj Mishra is interested in the resolution as it relates to his own appointment. None of the other Directors and KMP of the Company and their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their shareholding, if any, in the Company. The Board recommends passing the resolution as set out at item no.4 of this notice as a special resolution.

Item No 5:

Mr. Mohan Rao (DIN: 02592294) was appointed as Independent Director on the Board of the Company under the Companies Act 2013. w.e.f. 30th May, 2020. His first term of three years is getting completed on 29th May, 2023

Mr. Mohan Rao holds Bachelors Degree in Science and he has done his Masters in Science (MSC) (Physics) from Mumbai University. He's been on the Board of Companies like Konkan Barge Builders Pvt Ltd .Since last 10 years he's acting as Consultant of Modest Shipyard Pvt Ltd. As a Non executive Independent Director of our Company, his contributions for providing his expertise in Administration, Management and compliance related matters of our Company have been significant and beneficial to the Company.

Further as per Regulation 17 (1A) SEBI (LODR) 2015, no company shall appoint or continue the directorship of any person as a non-executive director who has attained the age of 75 years unless a special resolution is passed to that effect. Mr. Mohan Rao will complete 75 years on 1st November, 2023 and thereafter his continuation on the Board of the Company shall require approval of the shareholders.

Based on the recommendations of the NRC considering his expertise, experience and contribution and performance evaluation of directors, the Board of Directors has proposed to the shareholders his re-appointment for a second and final term of 3 (three) years effective immediately after expiry of his current term on 29th May, 2023 i.e. from 30th May, 2023 till 29th May, 2026 and for continuation of directorship of Mr. Mohan Rao as an Independent Director on Board after attaining the age of 75 years.”

His re-appointment proposal is in line with the Company’s policy on Director’s appointment and remuneration and he shall not be liable to retire by rotation at the Annual General Meeting as provided under Section 152(6) of the Companies Act, 2013. He continues to fulfil the conditions for re-appointment as an Independent Director as specified in the Act and SEBI LODR. Mr. Mohan Rao is not disqualified from being appointed as a Director in terms of section 164 of the Act and has consented for his re-appointment.

The Company has received a declaration from him that he meets with the criteria of independence as prescribed both under Section 149(6) of the Act and provisions of SEBI LODR, has registered with the Independent Director databank maintained by Indian Institute of Corporate Affairs (IICA) and has passed the requisite proficiency test.

In the opinion of Board, Mr. Mohan Rao fulfils the conditions for re-appointment as an Independent Director as specified in the relevant provisions of the Act and SEBI LODR and he is independent of management of the Company. Other information relating to his re-appointment in accordance with Secretarial Standard –SS-2 and Regulation 36(3) of SEBI LODR is annexed to the Notice.

The terms and conditions of re-appointment as an Independent Director is available for inspection by members at the registered office of the Company during the working hours up to the date of AGM and also on the investor section of website of the Company <https://www.marineelectricals.com/>. His re-appointment will also be governed by the policy of the Company as applicable to the Board of Directors.

Mr. Mohan Rao is interested in the resolution as it relates to his own appointment. None of the other Directors and KMP of the Company and their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their shareholding, if any, in the Company. The Board recommends passing the resolution as set out at item no.5 of this notice as a special resolution.

Item No 6:

The Board of Directors at its Meeting held on 27th May, 2022 approved the change in designation of change in designation of Mr. Shailendra Shukla (DIN: 08049885), from Non Executive Non Independent Director to Executive Director of the Company for a period of 3 years effective from 30th June, 2022 on such terms and conditions of appointment and remuneration as approved by the Board of Directors subject to the shareholders’ approval. Hence, as per the provisions of the act, he will hold office up to the date of this Annual General Meeting.

Further, the Company has received consent in writing to act as director and intimation in Form DIR 8 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of section 164 of the Companies Act, 2013.

The Board of Directors in its Meeting held on 22nd October, 2021 had approved an investment of USD 1.55 million for acquiring 75% equity shares in tranches in Xanatos Marine Ltd., further it was decided to appoint Mr. Shailendra Shukla as CEO in Xanatos Marine Ltd pursuant to which there is need to change the Designation of Mr, Shailendra Shukla, The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services as Director. Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for regularization of Mr. Shailendra Shukla (DIN: 08049885) as Executive Director of the Company.

Mr. Shailendra Kumar Shukla, aged 54 years, holds Bachelors Degree in Electronics and Communications Engineering from University of Marathwada and Masters in Administrative Management, Business Administration in Narsee Monjee Institute for Management Studies, from Mumbai University. He is a Non executive Non Independent Director on the Board of the Company. In addition to the above, the Board is of the view that the appointment of Mr. Shailendra Kumar Shukla, on the Company’s Board as Executive Director is desirable and would be beneficial to the Company and hence it recommends to the shareholders to approve the change his designation from Non Executive Non Independent Director to Executive Director of the Company for a period of 3 years effective from 30th June, 2022 on such terms and conditions of appointment and remuneration as approved by the Board of Directors through the said Resolution.

Mr. Shailendra Kumar Shukla is interested in the resolution as it relates to his own appointment. None of the other Directors and KMP of the Company and their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their shareholding, if any, in the Company. The Board recommends passing the resolution as set out at item no.6 of this notice as a Special Resolution.

Item No 7:

The Board of Directors in its board Meeting held on 22nd August, 2022 had approved (subject to the approval of members) the amendment in the Article of Association of the Company with respect to the following:

Clause 4(ii) Share Capital & Variation of Rights - by way of insertion of the words “and/or other securities”

The Board felt that there was need to amend the Clause 4(ii) of the AOA and insert the words “and/or other securities” to widen the scope of preferential issue by including all kind of securities.

Pursuant to the provisions of section 14 of the Companies Act, 2013, alteration of articles requires approval of the members of the Company by way of a Special Resolution at a general meeting.

A copy of the proposed amended Articles of Association (AOA) is available for inspection in physical by the members at the registered office of the Company during normal business hours on all working days from the date of dispatch of the notice, up to the last date of voting i.e. Sunday, 18th September, 2022 and is also available on the website of the Company at <https://www.marineelectricals.com/annual-report.html>

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolutions as item No. 7

Item No 8:

The following disclosure is made in accordance with the provisions of the Companies Act, 2013 (“the Act”) and Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended thereof (hereinafter referred to as “SEBI (ICDR) Regulations”).

1. OBJECT OF THE PREFERENTIAL ISSUE:

In order to meet with its long term working capital requirements, investment in subsidiary(ies) and general corporate purposes, it is proposed to raise funds by issue of warrants on preferential basis. The Board of Directors of the Company in its board meeting held on Monday, 22nd August, 2022 has decided to issue and allot upto 1,00,00,000 Warrants carrying an entitlement to subscribe to an equivalent number of equity shares of face value of Rs.2/- each at a price of Rs. 29.25/- per Equity Share [Rupees Twenty Nine and Twenty Five Paise Only] (including premium of Rs. 27.25/- each [Rupees Twenty Seven and Twenty Five Paise Only]) or at a price being not lower than the minimum price calculated in accordance with the Regulations for Preferential Issue contained in Chapter V of SEBI (ICDR) Regulations as amended, whichever is higher.

The proposed Preferential Issue of Convertible Warrants will further strengthen the Company’s capital base and balance sheet.

2. MAXIMUM NUMBER OF SPECIFIED SECURITIES TO BE ISSUED:

To create, offer, issue and allot on a preferential basis to Promoters and Non-Promoters upto 1,00,00,000 (One Crore) Warrants carrying an entitlement to subscribe to an equivalent number of equity shares of face value of Rs. 2/- each of the Company at a price of Rs. 29.25/- per Equity Share [Rupees Twenty Nine and Twenty Five Paise Only] (including premium of Rs. 27.25/- each [Rupees Twenty Seven and Twenty Five Paise Only]) or at a price being not lower than the minimum price calculated in accordance with the Regulations for Preferential Issue contained in Chapter V of SEBI (ICDR) Regulations as amended, whichever is higher.

Issue of the Equity Shares on conversion of warrants pursuant to the Preferential Issue would be within the Authorised Share Capital of the Company.

3. THE CLASS OR CLASSES OF PERSONS TO WHOM THE ALLOTMENT IS PROPOSED TO BE MADE:

The Allotment is proposed to be made to the Individuals/Hindu Undivided Family (HUF)/Bodies Corporates belonging to Promoters and Non-Promoters as per the details mentioned at point no. 9 below.

4. INTENT OF THE PROMOTERS, DIRECTORS OR KEY MANAGEMENT PERSONNEL OF THE COMPANY TO SUBSCRIBE TO THE OFFER:

None of the Promoters/Promoter Group, Directors or Key Management Personnel of the Company are subscribing to the proposed preferential offer, except the following, who have conveyed to the Company in writing to subscribe to the Warrants carrying an entitlement to subscribe to an equivalent number of equity shares of face value of Rs. 2/- each of the Company on preferential basis as proposed under Special Resolution at Item No. 8 above.

Sr. No	Name of Applicant (Proposed Allottee)	Category	Maximum No. of warrants proposed to be allotted
1.	KDU Enterprises Private Limited	Promoter	20,00,000
2.	Mr. Venkatesh K Uchil	Promoter/Managing Director	10,00,000
3.	Mr. Vinay K Uchil	Promoter/Wholetime Director	10,00,000

5. SHAREHOLDING PATTERN OF THE COMPANY BEFORE AND AFTER THE PROPOSED ISSUE:

Sr. No.	CATEGORY	Pre-Issue Equity Holdings		No. of Warrants proposed to be issued	Post-Issue Equity Holdings*	
		No. of Shares	% of Shareholding	No. of Shares	No. of Shares	% of Shareholding
A	Promoter's Holding					
1	Indian Promoter/ Promoter Group	9,04,14,220	73.71	40,00,000	9,44,14,220	71.17
2	Foreign Promoter/ Promoter Group	0	0.00	0	0	0.00
	Sub-Total (A)	9,04,14,220	73.71	40,00,000	9,44,14,220	71.17
B	Non-Promoter's Holding					
1	Institutions:	0	0.00	0	0	0.00
2	Non-Institutions:					
	Private Corporate Bodies	3,26,077	0.27	8,00,000	11,26,077	0.85
	Directors and relatives	0	0.00	0	0	0.00
	Indian Public and HUF	3,14,30,094	25.62	52,00,000	3,66,30,094	27.61
	Others (including NRIs)	4,94,859	0.40	0	4,94,859	0.37
	Sub-Total (B)	3,22,51,030	26.29	60,00,000	3,82,51,030	28.83
	TOTAL (A+B)	12,26,65,250	100.00	1,00,00,000	13,26,65,250	100.00

* Assuming entire 1,00,00,000 warrants proposed to be issued under this Preferential issue is allotted and converted into equity shares.

6. NO CHANGE IN CONTROL:

The existing promoters of the company will continue to be in control of the company and there will not be any changes in the management/control of the company as a result of the proposed preferential allotment.

7. LOCK-IN PERIOD:

The warrants and equity shares to be allotted on conversion of the aforesaid warrants on preferential basis shall be locked in, for such period as prescribed in Chapter V of SEBI (ICDR) Regulations.

The entire pre preferential shareholding of the allottees, if any, shall be locked in as per Regulation 167(6) of Chapter V of the SEBI (ICDR) Regulations.

8. TIME FRAME WITHIN WHICH THE PREFERENTIAL ALLOTMENT SHALL BE COMPLETED:

The proposed allotment of Warrants shall be completed, in accordance with Regulation 170 of SEBI (ICDR) Regulations, within 15 (fifteen) days period from the later of: (i) date of passing of the shareholders' special resolution; or (ii) receipt of the permission or approval from any regulatory authority or the Central Government, if any, including receipt of the 'in principle approval' from all the stock exchanges (pursuant to Regulation 28 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) where the shares of the Company are listed.

The allotment of warrants and equity shares on conversion of warrants will be completed in dematerialized form.

9. IDENTITY OF NATURAL PERSONS WHO ARE THE ULTIMATE BENEFICIAL OWNERS OF THE SHARES PROPOSED TO BE ALLOTTED AND/OR WHO ULTIMATELY CONTROL THE PROPOSED ALLOTTEES AND THE PERCENTAGE OF POST PREFERENTIAL ISSUE CAPITAL THAT MAY BE HELD BY THE ALLOTTEES:

In compliance with Regulation 163(1)(f) and 163(1)(fa) of SEBI (ICDR) Regulations and amendments thereof and also in compliance with SEBI Circular No. CIR/MIRDS/2/2013 dated January 24, 2013, details of the proposed allottees to whom securities to be issued pursuant to the Special Resolution at Item No. 8 of the Notice, the Identity of Natural Persons who are the Ultimate Beneficial Owners of the proposed allottees and the percentage of the expanded capital to be held by the proposed allottees after the proposed allotment of the said securities are as under:

Name of Proposed Allottees	Identity of Natural Persons Who are the Ultimate Beneficial Owners	Pre-Issue Equity Holdings		No. of warrants proposed to be issued	Post-Issue Equity Holding*	
		No. of Shares	% of Shareholding		No. of Shares	% of Shareholding
Promoters						
KDU Enterprises Private Limited	Mr. Vinay K Uchil	6,34,06,875	51.69%	20,00,000	6,54,06,875	49.30%
Mr. Venkatesh K. Uchil	Mr. Venkatesh K. Uchil	2,67,72,375	21.83%	10,00,000	2,77,72,375	20.93%
Mr. Vinay K Uchil	Mr. Vinay K Uchil	79,000	0.06%	10,00,000	10,79,000	0.81%
Non-Promoters						
Bishan Narain Mittal HUF	Mr. Bishan Narain Mittal (Karta of HUF)	0	0.00%	7,00,000	7,00,000	0.53%
Ms. Aarti Mukesh Bhanushali	Ms. Aarti Mukesh Bhanushali	15,000	0.01%	6,50,000	6,65,000	0.50%
Mr. Mukesh Kanji Bhanushali	Mr. Mukesh Kanji Bhanushali	0	0.00%	6,50,000	6,50,000	0.49%
Aprans Portfolio Private Limited	Mr. Mukesh Kanji Bhanushali	10,000	0.01%	6,00,000	6,10,000	0.46%
Mr. Bimal Natvarlal Mehta	Mr. Bimal Natvarlal Mehta	0	0.00%	6,00,000	6,00,000	0.45%
Ms. Dhvani Bimal Mehta	Ms. Dhvani Bimal Mehta	0	0.00%	6,00,000	6,00,000	0.45%
Mr. Manoj Bishan Mittal	Mr. Manoj Bishan Mittal	17,500	0.01%	5,50,000	5,67,500	0.43%
Mr. Vishnukumar Vitthal Das Patel	Mr. Vishnukumar Vitthal Das Patel	0	0.00%	2,50,000	2,50,000	0.19%

Name of Proposed Allottees	Identity of Natural Persons Who are the Ultimate Beneficial Owners	Pre-Issue Equity Holdings		No. of warrants proposed to be issued	Post-Issue Equity Holding*	
		No. of Shares	% of Shareholding		No. of Shares	% of Shareholding
Mr. Harsh Vishnubhai Patel	Mr. Harsh Vishnubhai Patel	1,312	0.001%**	2,50,000	2,51,312	0.19%
Ms. Ashaben Vishnukumar Patel	Ms. Ashaben Vishnukumar Patel	0	0.00%	2,50,000	2,50,000	0.19%
Ms. Zalak Bipinchandra Patel	Ms. Zalak Bipinchandra Patel	0	0.00%	2,50,000	2,50,000	0.19%
Ms. Yogita Manoj Mittal	Ms. Yogita Manoj Mittal	2,000	0.002%**	2,00,000	2,02,000	0.15%
Mr. Bishan Narain Mittal	Mr. Bishan Narain Mittal	0	0.00%	2,00,000	2,00,000	0.15%
Mittal Capital Finvest Private Limited	Ms. Brijlata Mittal	0	0.00%	2,00,000	2,00,000	0.15%
Ms. Bhavika Mittal	Ms. Bhavika Mittal	0	0.00%	50,000	50,000	0.04%

* Assuming entire 1,00,00,000 warrants proposed to be issued under this Preferential issue is allotted and converted into equity shares.

** Negligible

The consent of the Members is sought for the issue of Warrants Convertible into equal number of Equity Shares, in terms of Section 62 of the Companies Act, 2013, and all applicable provisions of the Companies Act, 2013 and in terms of the provisions of the SEBI (ICDR) Regulations and the listing agreement entered into by the Company with the stock exchange, where the Company's equity shares is listed.

10. THE CURRENT AND PROPOSED STATUS OF THE ALLOTTEES POST THE PREFERENTIAL ISSUE NAMELY, PROMOTER OR NON-PROMOTER:

Proposed Allottees	Current status of the allottees	Proposed status of the allottees post the preferential issue
KDU Enterprises Private Limited	Promoter	Promoter
Mr. Venkatesh K Uchil	Promoter	Promoter
Mr. Vinay K Uchil	Promoter	Promoter
Bishan Narain Mittal HUF*	Non-Promoter	Non-Promoter
Ms. Aarti Mukesh Bhanushali	Non-Promoter	Non-Promoter

Proposed Allottees	Current status of the allottees	Proposed status of the allottees post the preferential issue
Mr. Mukesh Kanji Bhanushali*	Non-Promoter	Non-Promoter
Aptrans Portfolio Private Limited	Non-Promoter	Non-Promoter
Mr. Bimal Natvarlal Mehta*	Non-Promoter	Non-Promoter
Ms. Dhvani Bimal Mehta*	Non-Promoter	Non-Promoter
Mr. Manoj Bishan Mittal	Non-Promoter	Non-Promoter
Mr. Vishnukumar Vitthaldas Patel*	Non-Promoter	Non-Promoter
Mr. Harsh Vishnubhai Patel	Non-Promoter	Non-Promoter
Ms. Ashaben Vishnukumar Patel*	Non-Promoter	Non-Promoter
Ms. Zalak Bipinchandra Patel*	Non-Promoter	Non-Promoter
Ms. Yogita Manoj Mittal	Non-Promoter	Non-Promoter
Mr. Bishan Narain Mittal*	Non-Promoter	Non-Promoter
Mittal Capital Finvest Private Limited*	Non-Promoter	Non-Promoter
Ms. Bhavika Mittal*	Non-Promoter	Non-Promoter

*: Currently not holding any Equity Shares of the Company as on date of this Notice.

11. UNDERTAKINGS:

- The Issuer Company undertakes that they shall recompute the price of the specified securities in terms of the provision of SEBI (ICDR) Regulations, as amended where it is required to do so.
- The Issuer Company undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in terms of the provision of SEBI (ICDR) Regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.

12. PRICING:

The issue price of the warrants/equity shares to be allotted on conversion of warrants on preferential basis shall be at a price of Rs. 29.25/- each [Rupees Twenty Nine and Twenty Five Paise Only] (including premium of Rs. 27.25/- each [Rupees Twenty Seven and Twenty Five Paise Only] or at a price being not lower than the minimum price calculated in accordance with the Regulations for Preferential Issue contained in Chapter V of SEBI (ICDR) Regulations as amended, whichever is higher.

13. MATERIAL TERMS OF ISSUE OF CONVERTIBLE WARRANTS:

In accordance with Regulation 169 of SEBI (ICDR) Regulations, at least 25% of the consideration determined as per Regulation 164 of SEBI (ICDR) Regulations, shall be paid against each warrant on or before the date of their allotment. The balance 75% of the consideration shall be paid on or before the allotment of equity shares pursuant to exercise of option against each warrant. Warrant shall be converted at the option of the allottee in one or more than one tranches, into one equity share of face value of Rs. 2/- each at a price of Rs. 29.25/- each [Rupees Twenty Nine and Twenty Five Paise Only] (including premium of Rs. 27.25/- each [Rupees Twenty Seven and Twenty Five Paise Only]) or at a price being not lower than the minimum price calculated in accordance with the Regulations for Preferential Issue contained in Chapter V of SEBI (ICDR) Regulations as amended, whichever is higher, at any time within 18 months from the date of allotment of warrants. In case of option is not exercised within a period of 18 months from the date of allotment of the warrants, the aforesaid Consideration paid on the date of allotment of the warrants shall be forfeited.

14. PARTICULARS OF THE OFFER, KINDS OF SECURITIES OFFERED, PRICE OF THE SECURITIES OFFERED INCLUDING DATE OF PASSING OF BOARD RESOLUTION:

Issue of 1,00,00,000 Convertible Warrants convertible into equal number of equity share of face value of Rs. 2/- each at a price of Rs. 29.25/- each [Rupees Twenty Nine and Twenty Five Paise Only] (including premium of Rs. 27.25/- each [Rupees Twenty Seven and Twenty Five Paise Only]) or at a price being not lower than the minimum price calculated in accordance with the Regulations for Preferential Issue contained in Chapter V of SEBI (ICDR) Regulations as amended, whichever is higher for Cash consideration.

Date of passing Board Resolution for aforesaid Preferential Issue is Monday, 22nd August, 2022.

15. AMOUNT WHICH THE COMPANY INTENDS TO RAISE BY WAY OF SUCH SECURITIES:

The Company intends to raise Rs. 29,25,00,000/- by way of Preferential Issue of 1,00,00,000 Convertible Warrants.

16. NUMBER OF PERSONS TO WHOM ALLOTMENT ON PREFERENTIAL BASIS HAVE BEEN MADE DURING THE YEAR, IN TERMS OF NUMBER OF SECURITIES AS WELL AS PRICE:

During the year, the company has not made any allotment on Preferential Basis other than preferential allotment proposed in this Resolution.

17. NAME AND ADDRESS OF THE VALUER WHO PERFORMED VALUATION OF THE SECURITY OFFERED:

Pricing shall be as per Regulation 164 of SEBI (ICDR) Regulations and therefore, no separate valuation is required pursuant to Companies (Share Capital and Debentures) Rules, 2014 as amended.

18. THE JUSTIFICATION FOR THE ALLOTMENT PROPOSED TO BE MADE FOR CONSIDERATION OTHER THAN CASH TOGETHER WITH VALUATION REPORT OF THE REGISTERED VALUER:

Not Applicable, as the proposed preferential allotment is made for Cash consideration..

19. PRINCIPLE TERMS OF ASSETS CHARGED AS SECURITIES:

Not Applicable.

20. PRACTISING COMPANY SECRETARY CERTIFICATE:

A copy of the certificate from Mr. Jigarkumar Gandhi, Partner of M/s. JNG & Co., Practicing Company Secretaries (M. No. 7569 and CP No. 8108), as mandated under Regulation 163(2) of the SEBI (ICDR) Regulations, certifying that the Proposed Preferential Issue is being made in accordance with the requirements of Chapter V of SEBI (ICDR) Regulations shall be placed before the shareholders at their proposed Annual General Meeting and the same shall be available for inspection by the members at the Registered Office of the Company between 11:00 AM and 5:00 PM on all working days between Monday to Friday from the date of dispatch of the AGM Notice till Monday, 19th September, 2022. This certificate is also placed on the website of the company at - <https://www.marineelectricals.com/images/report/Compliance-Certificate-Preferential-issue.pdf>

21. RELEVANT DATE:

The Relevant Date in terms of Regulation 161 of SEBI (ICDR) Regulations, 2018 for determining the price of Convertible Warrants and Equity Shares to be issued on conversion of warrants with reference to the proposed allotment is Friday, 19th August, 2022. Please note that 20th August, 2022 (Saturday) being the date 30 days prior to Monday, 19th September, 2022 (i.e., the date on which the Annual General Meeting of the Company is being convened to consider the proposed preferential issue) falls on a weekend and accordingly, the day preceding the weekend i.e., 19th August, 2022 (Friday) is being fixed as the relevant date in compliance with the Explanation to Regulation 161 of the SEBI (ICDR) Regulations.

22. OTHER DISCLOSURES:

- a) Neither the Company nor any of its Promoters or Directors are a willful defaulter or a fraudulent borrower as defined under SEBI (ICDR) Regulations and none of its directors or Promoters are fugitive economic offender as defined under SEBI (ICDR) Regulations.
- b) This preferential issue is not resulting into allotment of more than five per cent of the post issue fully diluted share capital of the company, to an allottee or to allottees acting in concert.

Except Mr. Venkatesh K Uchil (Proposed Allottee and Managing Director of the Company), Mr. Vinay K Uchil (Proposed Allottee and Whole-Time Director of the Company) and Ms. Tanuja Deepak Pudhierkar (Being sister of Mr. Venkatesh K Uchil and Mr. Vinay K Uchil and Director of the Company) alongwith their relatives, no other Director(s) and/or Key Managerial Personnel of the Company and/ or their relatives is deemed to be, in any way concerned or interested, financially or otherwise in the said resolution.

The Board of Directors believes that the proposed Preferential Issue is in the best interest of the Company and its Members and accordingly recommend passing of the resolution as set out at Item No. 8 of the Accompanying AGM Notice for the approval of members of the Company as Special Resolution.

By Order of the Board of Directors

Mr. Vinay Uchil
Chairman and Executive Director
DIN: 01276871

Mumbai, 22nd August, 2022

Registered Office:

B/1, Udyog Sadan NO.3, MIDC, Andheri (E), Mumbai - 400093

CIN : L31907MH2007PLC176443

Email ID : cs@marineelectricals.com

[Website: www.marineelectricals.com](http://www.marineelectricals.com)

Tel. No : 91-22-4033 4300

ANNEXURE

DETAILS OF DIRECTORS PROPOSED TO BE RETIRED BY ROTATION /APPOINTED / RE-APPOINTED AT THE FORTHCOMING AGM AS REQUIRED BY REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (“LISTING REGULATIONS”) AND SECRETARIAL STANDARDS ON GENERAL MEETINGS (SS – 2)

Name of Director	Dr.. Tanuja Pudhierkar	Mr. Madan Pendse	Mr. Nikunj Mishra
DIN	08190742	07650301	03589730
Date of 1 st Appointment	01/08/2018	11/07/2018	11/07/2018
Date of birth and Age	27/01/1973 and 49 Years	21/03/1951 and 71 Years	21/11/1955 and 67 Years
Qualification	Dr. Tanuja Pudhierkar holds Bachelor’s Degree of Medicine & Bachelor's Degree of Surgery (M.B.B.S.), from Seth G.S. Medical College & K E M Hospital, University of Mumbai. She is M.D in Obstetrics, & Gynaecology from University of Mumbai - 2002.	Mr. Madan Pendse holds Bachelor's Degree in Commerce and a Master's Degree in Business Administration. Mr. Pendse has around four decades of experience in Finance and Accounts functions including 28 years in Mazagon Dock Limited (now known as Mazagon Dock Shipbuilders Limited) at various post including General Manager (F&A) and 2 years in Reliance Defence Engineering Limited as CFO	Mr. Nikunj Mishra has Completed M Tech (Computer Science) from IIT Bombay and PG Diploma in Business Management from IGNOU. He has around 38 years of experience including about 34 years of experience in India Navy at various levels and 4 years of experience in. Hindustan Shipyard Limited as Managing Director. Further, He has been accredited as the "Best Naval Cadet' from National Defence Academy, Pune and has Stood First in overall order of Merit at Naval Engineering Course and Advanced Electronics Engineering Course & Controller (Finance).
Experience:	Over 2 decades	Over 4 decades	Over 4 decades
Terms and conditions of re-appointment along with details of remuneration sought to be paid	Non Executive Non Independent Director, liable to retire by rotation	Non Executive Independent Director, not liable to retire by rotation	Non Executive Independent Director, not liable to retire by rotation
Last Drawn Remuneration:	NIL	NIL	NIL
Relationship with Other Directors, Manager and Other Key Managerial Personnel of the Company:	Dr. Tanuja Pudhierkar is sister of Mr. Vinay Uchil and Mr. Venkatesh Uchil	None	None
Shareholding in the Company (Individually or Jointly):	1000	NIL	NIL
Number of Meetings of the Board Attended during the Year:	As mentioned in Corporate Governance Report	As mentioned in Corporate Governance Report	As mentioned in Corporate Governance Report
Directorship and Committee Memberships (Excluding Marine Electricals (India) Limited)	As mentioned in Corporate Governance Report	As mentioned in Corporate Governance Report	As mentioned in Corporate Governance Report
Justification for choosing the appointees for appointment as Independent Directors	Relevant experience and expertise	Relevant experience and expertise	Relevant experience and expertise

NOTICE

Name of Director	Ms. Mohan Rao	Mr. Shailendra Shukla
DIN	02592294	08049885
Date of 1st Appointment	30/05/2020	07/12/2018
Date of birth and Age	01/11/1948 and 74 Years	27/01/1968 and 54 Years
Qualification	Mr. Mohan Rao holds Bachelors Degree in Science and he has done his Masters in Science (MSC) (Physics) from Mumbai University. He's been on the Board of Companies like Konkan Barge Builders Pvt Ltd. Since last 10 years he's acting as Consultant of Modest Shipyard Pvt Ltd.	Mr. Shailendra Kumar Shukla holds Bachelors Degree in Electronics and Communications Engineering from University of Marathwada and Masters in Administrative Management, Business Administration in Narsee Monjee Institute for Management Studies, from Mumbai University.
Experience:	Over 4 decades	Over 2 decades
Terms and conditions of re-appointment along with details of remuneration sought to be paid	Non Executive Independent Director, not liable to retire by rotation	Change in Designation from Non-Executive Non -Independent Director to Executive Director w.e.f 30th June, 2022
Last Drawn Remuneration:	NIL	NIL
Relationship with Other Directors, Manager and Other Key Managerial Personnel of the Company:	None	None
Shareholding in the Company (Individually or Jointly):	NIL	NIL
Number of Meetings of the Board Attended during the Year:	As mentioned in Corporate Governance Report	As mentioned in Corporate Governance Report
Directorship and Committee Memberships (Excluding Marine Electricals (India) Limited)	As mentioned in Corporate Governance Report	As mentioned in Corporate Governance Report
Justification for choosing the appointees for appointment as Independent Directors	Relevant experience and expertise	Relevant experience and expertise

By Order of the Board of Directors

Mr. Vinay Uchil
Chairman and Executive Director
DIN: 01276871

Mumbai, 22nd August, 2022

Registered Office:

B/1, Udyog Sadan NO.3, MIDC, Andheri (E), Mumbai - 400093

CIN : L31907MH2007PLC176443

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[Website: www.marineelectricals.com](http://www.marineelectricals.com)

Tel. No : 91-22-4033 4300

To,
The Members,

Marine Electricals (India) Ltd.

Your Directors are pleased to present the 15th Annual Report on business and operations of your Company together with the Audited Financial Statements (standalone and consolidated) for the financial year ended 31st March, 2022 and the report of the Auditors thereon.

1. FINANCIAL SUMMARY AND HIGHLIGHTS:

Certain key aspects of your Company's Financial's performance on a Standalone and Consolidated basis during the financial year ended 31st March, 2022 as compared to the previous financial year are summarized below:

(Rs. In Lakhs)

Particulars	Standalone		Consolidated	
	Year Ended	Year Ended	Year Ended	Year Ended
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Total income	32,838.79	20,346.31	38,118.20	25,901.75
Expenses	29,669.57	17,723.57	34,506.55	22,405.78
Profit before Interest, Depreciation and Taxation	3,169.22	2,622.74	3,606.81	3,495.72
Interest and bank charges	645.18	772.56	728.14	892.76
Depreciation and Amortization	760.33	764.36	934.63	911.62
Profit before tax	1,763.71	1,085.82	1,944.04	1,691.34
Less: Provision for current tax & deferred tax	(517.02)	(302.97)	(616.23)	(338.15)
Profit after taxation	1,246.64	782.85	1,327.82	1,353.19
Profit for the carried to Reserves	-	-	-	-

*Previous year/period ended figures have been regrouped/rearranged/reclassified wherever necessary to make it comparable.

2. DIVIDEND

With a view to conserve the resources of the Company, your directors do not recommend any dividend for the financial year ended 31st March, 2022.

3. DIVIDEND DISTRIBUTION POLICY :

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI Listing Regulations], the Board of Directors of the Company had formulated a Dividend Distribution Policy ('the Policy'). The Policy is available on the Company's website at <https://www.marineelectricals.com/images/policies/Dividend-Distribution-Policy.pdf>

4. TRANSFER TO RESERVES :

There is no amount proposed to be transferred to Reserves out of profit for the financial year 2021-22.

5. FINANCIAL PERFORMANCE AND STATE OF THE COMPANY'S AFFAIRS

Operating Results and Profits

Standalone: The standalone revenue of your Company for the year is Rs 32,288.56 Lakhs as against Rs. 19,987.37 Lakhs in the previous financial year. Total exports revenue was Rs. 2,895.18 Lakhs as against Rs. 2,398.74 Lakhs in the previous year.

The standalone net profit for the year increased by 59.24% to Rs. 1246.64 Lakhs as against Rs.782.85 Lakhs in the previous financial year.

Consolidated: The Consolidated revenue of your Company from the year is Rs.37,632.86 Lakhs as against Rs.25,128.66 Lakhs in the previous financial year. The Consolidated net profit for the year is Rs.1,327.82 Lakhs as against Rs.1,353.19 Lakh in previous year.

6. SHARE CAPITAL :

The paid up equity capital as on 31st March, 2022 was Rs. 24,53,30,500/- divided into 12,26,65,250 equity shares of Rs. 2/- each. During the financial year 2021-22, there was no public issue, rights issue, bonus issue or preferential issue etc and the Company has not issued shares with differential voting rights or sweat equity shares.

7. FINANCE AND CREDIT RATINGS :

Despite challenges caused by supply chain issues and intermittent Covid-19 pandemic related disruptions, the Company has managed its finances prudently, meeting the business needs and the order book position and profitability have been strong. The Company has maintained sufficient liquidity at all times to navigate the impact of external challenges.

The credit ratings of the Company underwent positive revisions.

During the year, ICRA has attributed positive revision in outlook due to improved order book position and improved financial profile in H1 FY2022 led by pick up in revenues and recovery of pending receivables & other factors. For long term ratings - "ICRA BBB" with "Stable" outlook upgraded from "ICRA BBB -" with "Stable" outlook. For the Short ratings - "ICRAA3+" upgraded from ICRAA3

8. CONSOLIDATED FINANCIAL STATEMENTS :

As stipulated under the provisions of the Act and the Listing Regulations, the Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards issued by Institute of Chartered Accountants of India [ICAI]. The Audited Consolidated Financial Statement together with Auditors' Report forms part of the Annual Report.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Act, read with Schedule III of the Act and Rules made thereunder, including Indian Accounting Standards specified under Section 133 of the Act. The audited consolidated Financial Statements together with the Auditors' Report thereon forms part of the Annual Report the Company .

The audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on Company's website <https://www.marineelectricals.com/financial-results-outcome.html> These documents will also be available for inspection during working hours at the Registered Office of the Company.

Performance and contribution of each of the Subsidiaries, Associates and Joint Ventures as per Rule 8 of Company's (Accounts) Rules, 2014, a report on the Financial performance of Subsidiaries, Associates and Joint Venture Companies along with their contribution to the overall performance of the Company during the Financial Year ended 31st March, 2022 is annexed to this Board's report in form **AOC 1**.

9. HOLDING, SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES :

The Company is having total 1 (one) Holding Company and 4 (Four) subsidiaries including step down subsidiary. There are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

9.1. Holding Company

KDU Enterprises Private Limited (Indian Company) (CIN: U31401MH1982PTC027850) is the "Holding Company". During the year, there has not been any change in number of shares held by the holding company. As at the end of the financial year 2021-22, holding Company continue to hold 63406875 fully paid-up equity shares.

9.2. Domestic Subsidiaries

The Company has 2 (two) Indian Subsidiaries i.e. Eltech Engineers Madras Private Limited (CIN: U29142TN1996PTC036500) and Evigo Charging Consultants Pvt Ltd (CIN No. U74999MH2018PTC317824)

However, above mentioned Subsidiaries are not material subsidiaries as per the thresholds of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations").

9.3. Foreign subsidiaries

The Company has 2 (two) foreign subsidiaries including step down subsidiary i.e MEL Powers FZC and STI Company SRL.

During the year, the Board of Director at its meeting held on 22nd October, 2021 had passed board resolution to invest and acquire in tranches 75 % shares of Xanatos Marine Ltd, located in Kelowna, British Columbia, Canada carrying out business in maritime domain awareness solutions for Port & Harbor Authorities, Coast Guards, Navy's, Marine Police and other Maritime Authorities since 1998.

The Policy for determining material subsidiaries as approved may be accessed on the Company's website <https://www.marineelectricals.com/images/policies/Policy-on-Material-Subsidiaries.pdf>

During the year under review, there are no significant transactions and arrangements entered into by the Company with the Subsidiary

10. CHANGE IN THE NATURE OF BUSINESS ACTIVITIES:

There has been no change in the nature of business of your Company during the year under review.

11. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) read with section 134(3)(a) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, copies of the Annual Returns of the Company prepared in accordance with Section 92(1) of the Companies Act, 2013 read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are placed on the website of the Company and is accessible at the weblink: <https://www.marineelectricals.com/images/report/MEIL-Form-MGT-7-2021-22.pdf>

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As per Regulation 34(2) read with Schedule V of the SEBI (Listing Regulations) LODR, 2015 and amendments thereto the Management Discussion and Analysis Report forms part of this Annual Report which gives a detailed information of state of affairs of the operations of the Company and its subsidiaries.

13. CORPORATE GOVERNANCE REPORT:

Pursuant to Regulation 34 of the SEBI Listing Regulations, Report on Corporate Governance along with the certificate from a Practicing Company Secretaries, JNG & Co. certifying compliance with conditions of Corporate Governance, is annexed to this Annual Report.

14. BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Report as required under National Guidelines on Responsible Business Conduct formulated by Ministry of Corporate Affairs, Government of India, and under Regulation 34(2)(f) of the Listing Regulations, describing the initiatives taken by the Company from an environmental, social and governance perspective, forms part of this Annual Report.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Appointment / Re-appointment

As on 31st March 2022, the Board of Directors of the Company comprises of total Nine (9) Directors, One Chairman and Executive Director, One Managing Director, two Non-executive Non-Independent Director and five Non-Executive Independent Director (including 1 Woman Non-Executive Independent Director). The constitution of the Board of Directors of the Company is in accordance with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, as amended from time to time.

As reported in the previous year, Ms. Archana Venkata Rajagopalan (DIN: 09077128) was appointed as an Additional Non-Executive Independent Director on the Board of the Company with effect from 23rd February, 2021. Her appointment was approved by the Members at the 14th AGM held on 28th September, 2021.

Also in the previous year, Mr Vinay Krishna Uchil's (DIN: 01276871) term as Chairman & Executive Director was extended for a period of three years, with effect from 1st August, 2021 to 31st July, 2024 and Mr Venkatesh Uchil's (DIN:01282671) term as Managing Director was extended for a period of three years with effect from 1st August, 2021 to 31st July, 2024. The Members at the 14th AGM held on 28 September, 2021 through special resolution had approved the aforesaid appointment/re-appointment and payment of minimum remuneration in case of inadequacy of profit or no profit in any financial year.

At the forthcoming AGM approval of the Members will be sought to the following appointment:

- **Mr. Madan Pendse (DIN: 07650301)** as a Non Executive (Independent) Director of the Company, not liable to retire by rotation, for a second and final term of 3 (three) years effective from 11th July, 2023 till 10th July, 2026 and continuation of directorship after attainment of 75 years of age subject to approval of Members at this AGM.
- **Mr. Nikunj Mishra (DIN: 03589730)** as a Non Executive (Independent) Director of the Company, not liable to retire by rotation, for a second and final term of 5 (five) years effective from 11th July, 2023 till 10th July, 2028 subject to approval of Members at this AGM.
- **Mr. Mohan Rao (DIN: 02592294)** as a Non Executive (Independent) Director of the Company, not liable to retire by rotation, for a second and final term of 3 (three) years effective from 30th May, 2023 till 29th May, 2026 and continuation of directorship after attainment of 75 years of age subject to approval of Members at this AGM.
- **Mr. Shailendra Shukla's (DIN: 08049885)** change in Designation from Non Executive Non Independent Director to Executive Director subject to approval of Members at this AGM.

Retirement By Rotation

The independent directors hold office for a fixed term not exceeding five years from the date of their appointment and are not liable to retire by rotation. Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the relevant rules made thereunder, at least two-thirds of the total number of directors (excluding independent directors) shall be liable to retire by rotation. Accordingly, Dr. Tanuja Deepak Pudhierkar (DIN 08190742), being the longest in the office amongst the directors is liable to retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, have offered her candidature for re-appointment.

Brief details of Dr. Tanuja Deepak Pudhierkar (DIN 08190742), Director, who is seeking re-appointment is given in the notice of annual general meeting.

The disclosures required pursuant to Regulation 36 of the SEBI Listing Regulations and the Secretarial Standards on General Meeting ('SS-2') are given in the Notice of this AGM, forming part of the Annual Report.

Independent Directors

In terms of Section 149 of the Act and SEBI Listing Regulations, Mr. Madan Pendse, Mr. Vikas Jaywant, Mr. Nikunj Mishra, Mr. Mohan Rao & Ms. Archana Rajagopalan are the Independent Directors of the Company as on date of this report.

All Independent Directors of the Company have given requisite declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act alongwith Rules framed thereunder, Regulation 16(1)(b) of SEBI Listing Regulations and have complied with the Code of Conduct of the Company as applicable to the Board of directors and Senior Managers.

In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Company has received confirmation from all the Independent Directors of their registration on the Independent Directors Database maintained by the Indian Institute of Corporate Affairs, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfill the conditions specified in the Act as well as the Rules made thereunder and are independent of the management.

Key Managerial Personnel (KMP)

The details with respect changes in KMP during the Financial Year 2021-22 is as under:

Sr. No	Particulars	Designation	Re-Appointment /Appointment Date	Resignation Date
1	Mr. Vinay K. Uchil	Chairman & Executive Director	1 st August 2021	-
2	Mr. Venkatesh K. Uchil	Managing Director	1 st August 2021	-

Ms. Namita Sethia tendered her resignation from the position of CFO w.e.f 30th July, 2022. Mr. U. M. Bhakthavalsalan was appointed as CFO w.e.f 4th August, 2022

16. BOARD MEETINGS:

The Board met Five (5) times during the financial year 2021-22 viz 7th June, 2021; 12th August, 2021; 22nd October, 2021; 11th November, 2021; 10th February, 2022. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and extended by respective authorities due to Covid 19 Pandemic. The meeting details are provided in Corporate Governance Report, forming part of this Annual Report.

17. COMMITTEES OF THE BOARD:

As on March 31st, 2022, the Board had 6 (Six) Committees viz:

- (i) Audit Committee,
- (ii) Nomination and Remuneration Committee,
- (iii) Stakeholders' Relationship Committee,
- (iv) Corporate Social Responsibility Committee
- (v) Risk Management Committee and
- (vi) General purpose Committee

Detail report on composition of Committees, number of meeting held during the year and the changes in the composition during the year are provided in Corporate Governance Report forming part of this Annual Report.

18. ANNUAL EVALUATION AND PERFORMANCE OF THE BOARD:

The annual evaluation process of the Board of Directors, individual Directors and Committees was conducted in accordance with the provisions of the Act and the SEBI Listing Regulations. The Board evaluated its performance after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The Board and the NRC reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors held on 10th February, 2022, the performance of Non-Independent Directors and the Board as a whole was evaluated. Additionally, they also evaluated the Chairman of the Board, taking into account the views of Executive and Non-executive Directors in the aforesaid meeting. The Board also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The above evaluations were then discussed in the Board meeting and performance evaluation of Independent directors was done by the entire Board, excluding the Independent Director being evaluated

19. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has conducted familiarization programmes for the Independent Directors of the Company covering the matters as specified in Regulation 25(7) of the Listing Regulations. The details of the Familiarisation Programme undertaken by the Company during the FY 2021-22 is mentioned in the Corporate Governance Report which is part of this Annual Report and is also available on the website of the Company at : <https://www.marineelectricals.com/images/disclosure-reports/Familiarization-Programme.pdf>

20. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's Policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been briefly disclosed hereunder and in the Report on Corporate Governance, which is part of this Annual Report. Selection and procedure for nomination and appointment of Director.

Selection and procedure for nomination and appointment of Director

The NRC is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements. The NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a director's appointment or re- appointment is required. The NRC reviews and vets the profiles of potential candidates vis-à-vis the required competencies, undertakes due diligence and meeting potential candidates, prior to making recommendations of their nomination to the Board.

Criteria for determining qualifications, positive attributes and independence of a Director

In terms of the provisions of Section 178(3) of the Act, and Regulation 19 of the SEBI Listing Regulations, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

- Qualifications - The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.
- Positive Attributes - Apart from the duties of Directors as prescribed in the Act, the Directors are expected to demonstrate high standards of ethical behavior, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.
- Independence - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations.

The Directors affirm that the remuneration paid to Directors, Key Managerial Personnel and employees is as per the Remuneration Policy of the Company.

The Company's policy on director's appointment and remuneration as required under Sub-Section (3) of Section 178 of the Companies Act, 2013, is provided in "Annexure A." The policy is also available on the website of the Company at <https://www.marineelectricals.com/images/policies/Nomination-n-Remuneration.pdf>

21. PARTICULARS OF REMUNERATION

Disclosure pertaining to remuneration and other details as required under section 197 (12) of the act read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as "Annexure B" to this Report.

22. CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

In accordance with the Listing Regulations, a certificate has been received from JNG & Co., Practicing Company Secretaries, that none of the Directors on the Board of the Company has been disqualified to act as Director. The same is annexed herewith as Annexure C.

23. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to sub-section 5 of Section 134 of the Companies Act, 2013, the Directors confirm that:

- a) in the preparation of the annual accounts for the Financial Year ended 31st March, 2022 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at 31st March, 2022 and of the profit of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts for Financial Year ended 31st March, 2022 on a going concern basis; and
- e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively, the details in respect of adequacy of internal financial controls with reference to the Financial Statements, have been mentioned subsequently in this report.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. AUDITORS AND REPORTS:

A. Statutory Auditors

The current statutory auditor Saini Pati Shah & Co LLP (Formerly known as SGJ & Co), Chartered Accountants registered with the Institute of Chartered Accountants of India vide registration number 137904W/ W100622 were appointed as Statutory Auditors for a period of 5 years in the AGM held on 31st August 2018.

Accordingly, Saini Pati Shah & Co LLP (Formerly known as SGJ & Co), Chartered Accountants, Statutory Auditors of the Company will continue till the conclusion of Annual General Meeting to be held in 2023. In this regard, the Company has received a Certificate from the Auditors to the effect that their continuation as Statutory Auditors, would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditor of the Company, in audit report for the financial year ended 31st March, 2022.

B. Internal Auditor

The board of Directors at its meeting held on 7th June, 2021 had appointed IRA & Associates, Chartered Accountants (formerly known as M/s. SMSD & Co, Chartered Accountants) as Internal Auditor for Financial Year 2021 - 22 .The audit observations placed in the Internal Audit Report by the Internal Auditors were duly noted by the management and corrective actions thereon are periodically presented to the Audit Committee and Board of Directors of the Company. The Board of Directors in its Board Meeting held on 27th May, 2022 on the recommendation of the Audit Committee re-appointed IRA & Associates, Chartered Accountants (formerly known as M/s. SMSD & Co, Chartered Accountants) to carry out the Internal Audit of the Company for the Financial Year 2022-23 .

C. Secretarial Auditor

Section 204 of the Act, inter-alia requires every listed company to undertake Secretarial Audit and annex with its Board's Report a Secretarial Audit Report given by a Company Secretary in practice in the prescribed form. In line with the requirement of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of the Listing Regulations and other applicable provisions, if any, the Board of Directors of the Company had appointed M/s. R. Bhandari & Co., Practicing Company Secretaries in Whole-time Practice, to carry out Secretarial Audit for the financial year 2021-22. The Board of Directors in its Board Meeting held on 27th May, 2022 on the recommendation of the Audit Committee re-appointed M/s. R. Bhandari & Co., Practicing Company Secretaries to carry out the Secretarial Audit of the Company for the Financial Year 2022-23

The Secretarial Audit Report for the financial year ended 31st March, 2022 are annexed as **Annexure D** to this Report. As per the report, Company has complied with all the provisions of the Act, Rules, Regulations, Guidelines, Standards during the financial year 2021-22 and the Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks and disclaimer.

D. Cost Auditor

Maintenance of cost records as specified by the Central Government under Section 148 of the Companies Act 2013 is not applicable to the Company.

25. INTERNAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENTS:

The Company has in place adequate internal financial control with reference to financial statements.

The Company has adopted accounting policies which are in line with Section 133 and other applicable provisions, if any, of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015.

The Company in preparing its financial statements makes judgments and estimates based on sound policies and uses external agencies to verify/ validate them as and when appropriate. The basis of such judgements and estimates are also approved by the Statutory Auditors and Audit Committee.

The Internal Auditor evaluates the efficacy and adequacy of internal control system, accounting procedures and policies adopted by the Company for efficient conduct of its business, adherence to Company's policies, safeguarding of Company's assets, prevention and detection of frauds and errors and timely preparation of reliable financial information etc. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Internal Financial Control

As per Section 134(5)(e) of the Companies Act, 2013, Internal Financial Control means the policies and procedures adopted by the Company for ensuring:

- accuracy and completeness of the accounting records
- safeguarding of its assets, prevention and detection of fraud and error
- orderly and efficient conduct of business operations including adherence to the company's policies
- timely preparation of reliable financial information

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors, including audit of internal financial controls over financial reporting, and the reviews performed by management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls was adequate and operating effectively as on March 31, 2022. During the year under review, no material or serious observation has been observed for inefficiency or inadequacy of such controls.

26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT:

During the reporting period, your Company has not granted any Loans, Guarantees, Investments and Security in violation of Section 186 of the Companies Act, 2013 and rules made thereunder. For information pertaining to Investments, kindly refer notes to financial statements.

27. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All Related party Transactions that were entered into during the financial year 2021-22 were in the ordinary course of business and on arm's length basis. The Company has not entered into any contract/arrangement/transaction with related parties which could be considered material in nature as per Regulation 23 of the SEBI Listing Regulations (LODR), 2015 and amendments thereto and as per Company's policy on Related Party Transactions. All Related Party Transactions are placed before the Audit Committee and Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive in nature. During the year, the Company has not entered into any contracts/arrangements/transactions with related parties which could be considered material in accordance with policy of the Company on material related party transactions or under section 188(1) of the Act. Accordingly, there are no particulars to report in Form AOC-2 Further the disclosure of transactions with related parties for the year 2021-22, as per accounting standard 18 forms part of notes to accounts.

The Board of Directors in its meeting held on 10th February, 2022 have amended the "Policy on Materiality of Related Party Transaction and dealing with Related Parties" in order it to align it with the SEBI (LODR) (3rd Amendment) Regulations, 2021 and Regulation 23 of the SEBI (LODR) Regulations, 2015. The policy adopted by the Board on Material Related Party Transactions is available on the website of the Company at <https://www.marineelectricals.com/images/policies/Policy-on-Materiality-of-Related-Party-Transaction-and-Dealing-with-Related-Parties.pdf>.

28. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year.

29. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

No significant and material orders have been passed by any regulator or courts or tribunals which shall impact the going concern status and operations of your Company in future.

30. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is appended as **Annexure E** to this Report.

31. RISK MANAGEMENT:

The Company has formed Risk Management Committee and also laid down the procedures to inform the Board about the risk assessment and minimization procedures and the Board has formulated Risk Management Policy to ensure that the Board, its Audit Committee and its management should collectively identify the risks impacting the Company's business and document their process of risk identification, risk minimization, risk optimization as a part of a risk management policy strategy. At present there is no identifiable risk which, in the opinion of the Board may threaten the existence of the Company. The details of composition and terms of reference and meetings of the Risk Management Committee are provided in Corporate Governance Report forming part of this Annual Report

Policy relating to Risk Management can be accessed on company's website viz:

<https://www.marineelectricals.com/images/policies/Risk-Management-Policy-under-New-Companies-Act-GIL.pdf>

32. CORPORATE SOCIAL RESPONSIBILITY:

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in **Annexure F** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is available on company's website viz: <https://www.marineelectricals.com/images/policies/Corporate-Social-Responsibility-Policy-CSR.pdf>.

33. REPORTING OF FRAUDS:

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

34. VIGIL MECHANISM:

Vigil Mechanism (Whistle Blower Policy) and Code of Conduct

Creating a fraud and corruption free culture has always been the core factor of your Company. In view of the potential risk of fraud, corruption and unethical behavior that could adversely impact the Company's business operations, performance and reputation, Marine Electricals (India) Limited has emphasized even more on addressing these risks. To meet this objective, a comprehensive vigil mechanism named Whistle Blower Policy, in compliance with the provisions of Section 177(10) of the Act and Listing Regulations, is in place. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and posted on the website of the Company at <https://www.marineelectricals.com/images/policies/Vigil-Mechanism-Policy.pdf>

During the year no personnel of the Company was denied access to the Audit Committee and no complaints were received.

Code of Conduct to Regulate, Monitor and report trading by Insiders

In terms of SEBI (Prohibitions of Insider Trading) Regulations, 2015, as amended from time to time, the Company has adopted a Revised Code of Conduct for Prevention of Insider Trading (Insider Code) as approved by the Company's Board. Any Insiders (as defined in Insider Code) including designated employees & persons and their relatives are, inter-alia, prohibited from trading in the shares and securities of the Company or counsel any person during any period when the "unpublished price sensitive information" are available with them.

The Insider Code also requires pre-clearance for dealing in the Company's shares and prohibits dealing in Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The policy on Code Of Conduct for Prevention of Insider Trading Regulations, 2015 is available on the website of the Company at : <https://www.marineelectricals.com/images/policies/Policy-on-Code-of-Conduct-for-Prevention-of-Insider-Trading.pdf>

35. DETAILS RELATING TO DEPOSITS, COVERED UNDER CHAPTER V OF THE ACT :

The Company has not accepted any deposits from public during the year under review, and as such, no amount of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

36. HUMAN RESOURCES :

The industrial relations at the manufacturing facilities of your Company have been cordial during the year. Employees are considered to be team members being one of the most critical resources in the business which maximize the effectiveness of the organization. Human resources build the enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Policies and Systems. The Company maintains healthy, cordial and harmonious relations with all personnel and thereby enhancing the contributory value of the Human Resources.

37. EMPLOYEES STOCK OPTION SCHEME :

Your company has not granted any Employee Stock Options during the year under review.

38. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.:

The Company has devised a sound Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act 2013 with the proper composition of members. The policy on Policy on Prevention of Sexual Harassment At Workplace is available on the website of the Company <https://www.marineelectricals.com/images/policies/Sexual-Harrassment-Policy.pdf>

The Company is committed to provide a safe and conducive work environment to its employees. Your Directors further state that, during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has not received any complaints during the year.

39. COMPLIANCE OF THE SECRETARIAL STANDARDS:

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

40. ACKNOWLEDGEMENTS:

Your Directors express their sincere appreciation for the co-operation received from shareholders, bankers and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

On behalf of the board of directors

Sd/-

Mr. Vinay K. Uchil

Chairman and Executive Director

DIN: 01276871

Sd/-

Mr. Venkatesh K. Uchil

Managing Director

DIN: 01282671

Date: 22nd August, 2022

Place: Mumbai

Form AOC-1

[Pursuant to clause [h] of sub-section [3] of section 134 of the Act and Rule 8[2] of the Companies [Accounts] Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

(Amount in Lakhs)

Sr. No.	Particulars	Details			
1	Name of the subsidiary	MEL power Systems FZC	Eltech Engineers Madras Private Limited	STI Company SRL	Evigo Charging Consultants Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	From 1 st April, 2021 to 31 st March 2022	From 1 st April, 2021 to 31 st March 2022	From 1 st January, 2021 to 31 st December 2021	From 1 st April, 2021 to 31 st March 2022
3	Holding company's reporting period	From 1 st April, 2021 to 31 st March, 2022	From 1 st April, 2021 to 31 st March, 2022	From 1 st April, 2021 to 31 st March, 2022	From 1 st April, 2021 to 31 st March, 2022
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	AED 1AED : 20.70	INR	EURO 1EURO : 84.03	INR
5	Financial Year in the Case of Foreign Subsidiaries	01/04/2021 to 31/03/2022		From 01/01/2021 to 31/12/2021	
6	Share Capital	21.53	30.00	1003.76	72.89
7	Reserves & Surplus	3,271.62	(292.82)	474.17	(56.65)
8	Total Assets	4,736.23	11.20	5,528.03	57.93
9	Total Liabilities	1,443.08	274.05	4,050.10	41.69
10	Investments	828.67	NIL	325.44	NIL
11	Turnover	1,333.61	6.17	2,881.81	42.85
12	Profit before taxation	64.48	13.35	41.21	(42.47)
13	Provision for taxation	NIL	NIL	26.93	(0.22)
14	Profit after taxation	64.48	13.35	14.28	(42.25)
15	Proposed Dividend	NIL	NIL	NIL	NIL
16	% of shareholding	90%	70%	67.50%	74%

The following information shall be Furnished :

Names of subsidiaries, which are yet to commence operations: Nil

Names of subsidiaries, which have been liquidated or sold during the year: Nil

Part "B": Associates and Joint Ventures

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

(Amount in Lakhs)

Name of Associates/Joint Ventures	
1. Latest audited Balance Sheet Date	NA
2. Shares of Associate/Joint Ventures held by the company on the year end	

(Amount in Lakhs)

Name of Associates/Joint Ventures	
No.	NA
Amount of Investment in Associates/Joint Venture	
Extend of Holding %	
3. Description of how there is significant influence	
4. Reason why the associate/joint venture is not consolidated	
5. Networth attributable to Shareholding as per latest audited Balance Sheet	
6. Profit / Loss for the year	
i. Considered in Consolidation	
i. Not Considered in Consolidation	

Names of associates or joint ventures which are yet to commence operations - NA

Names of associates or joint ventures which have been liquidated or sold during the year - NA

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

On behalf of the board of directors

Sd/-

Mr. Vinay K. Uchil

Chairman and Executive Director

DIN: 01276871

Sd/-

Mr. Venkatesh K. Uchil

Managing Director

DIN: 01282671

Date: 22nd August, 2022

Place: Mumbai

ANNEXURE A NOMINATION AND REMUNERATION POLICY MARINE ELECTRICALS (INDIA) LIMITED

PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of Every Listed Company and such other class or classes of Companies, as may be prescribed under Rule 6 of the Companies Meetings of Board and its Powers)Rules, 2014and pursuant to Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”)shall constitute the Nomination and Remuneration Committee and the Board of Directors (the“Board”) of Marine Electricals (India) Limited (the“Company”), has adopted the following policy and procedures with regard to Nomination and Remuneration as defined below. The Nomination and Remuneration Committee may, from time to time, review and recommend amendments to this policy to the Board. The Board may amend this policy from time to time.

OBJECTIVES

The interdenominational & Remuneration Committee would be:

- a) To guide the Board in relation to Appointment and RemovalofDirectors, Key Managerial Personnel and Senior Management;
- b) To evaluate the Performance of the Members of the Board and provide necessary report to the Board for further evaluation;
- c) To recommend the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- d) To provide to Key Managerial Personnel and Senior Management, reward linked directly to their effort, performance, dedication and achievement relating to company's performance;
- e) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- f) To enable the Company for competing effectively in the labour market and to recruit and retain high caliber staff;
- g) To operate at minimum rate of labour turnover.
- h) to develop a succession plan for the Board and to regularly review the plan;
- i) assessing the independence of independent directors;

DEFINITIONS

“**Act**”means the Companies Act, 2013 and Rules framed there under as amended from time to time.

“**Board**”refers to Board of Directors of Marine Electricals (India)Limited

“**Directors**”mean Directors of Marine Electricals (India)Limited.

“**Independent Director**”means Director appointed in terms of Section 149 of the Companies Act, 2013.

“**Key Managerial Personnel**”(KMP) means:

- a) Chief Executive Officer or the Managing Director or the Manager,
- b) Company Secretary,
- c) Whole time Director,
- d) Chief Financial Officer and
- e) Such other officer as maybe prescribed.

“**Senior Management**” means Personnel of the Company who are members of its Core Management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

SCOPE

The Board of the Company has constituted Nomination and Remuneration Committee as per requirement of provisions of the Companies Act, 2013. This policy prescribes guideline, criteria and principles for the Committee for recommending to the Board the appointment and remuneration of the directors, key managerial personnel and senior management of the Company.

POLICY ON CONSTITUTION AND OPERATIONS OF THE COMMITTEE:

MEMBERSHIP:

The Committee shall consist of a minimum 3 Non Executive Directors, at least 50% of them being Independent. Minimum two (2) or one third of the members of the committee, whichever is greater, including at least one independent director in attendance, shall constitute a Quorum for the Committee meeting. Membership of the Committee shall be disclosed in the Annual Report & updated on the website of the company. Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRPERSON:

Chairperson of the Committee shall be an Independent Director. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson. Chairperson of the Nomination and Remuneration Committee meeting may be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

FREQUENCY OF MEETINGS:

The Committee shall meet at least once in a year.

COMMITTEE MEMBERS' INTERESTS:

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

MINUTES OF COMMITTEE MEETING:

Proceedings of all meetings must be appropriately recorded in the Minutes Book and signed by the Chairman within 30 days of the said meeting or by the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

SECRETARY:

The Company Secretary of the Company shall act as Secretary of the Committee.

POLICY

a) Appointment of Directors/Key Managerial Personnel or Senior Management Personnel.

The Nomination and Remuneration Committee, Inter alia, consider qualification, positive attributes, areas of expertise, experience, relevant knowledge about the industry of the Company and directorship or membership in various other companies as well as independency of the directors in case of appointment of independent director. The Committee shall recommend to the Board of the Company, for any appointment, afterwards final decision shall be taken by the Board of the Company.

b) Remuneration to Directors and Key Managerial Personnel.

The Committee shall recommend to the Board about the remuneration to the directors and key managerial personnel and periodically review that the remuneration payable to the directors and key managerial personnel is in the line and limits prescribed under provisions of the Companies Act, 2013 and approved by the shareholders of the Company. The Remuneration to the directors and key managerial personnel shall be in line with the limits prescribed under provisions of the Companies Act, 2013 and rules made thereunder.

Non-executive directors may be entitled for sitting fees for attending Board and Committee meetings as decided and approved by the Board. They are also entitled for commission from profit, if any approve by the Board.

For determining remuneration of directors and key managerial personal the Committee shall take into account remuneration trends in the group companies, or peers industry.

For determining remuneration to directors and key managerial personnel the Committee shall have power to obtain reliable, up - to - date information about remuneration in other companies. To help it fulfil its obligations the committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the board.

The remuneration structure shall include the following components:

- (i) Basic salary
- (ii) Allowances & Perquisites
- (iii) Commission, if any.
- (iv) Stock options, if any.
- (v) Retired Benefits
- (vi) Incentives

The Committee shall periodically review the remuneration payable to the directors and key managerial personnel and recommend any revision thereof on the basis of financial condition of the Company and performance of the director or key managerial personnel.

c) Remuneration to senior management and other employees.

The Remuneration to senior management and other employees shall be decided on the basis of qualification, experience, performance, job profile, skills ,position and industry criteria.

d) Loan and advances to directors, key managerial personnel and senior management

The Committee shall review and approve the loans and advances to directors, key managerial personnel and senior management in line with the requirements of provisions of Companies Act, 2013 and rules made thereunder.

POLICY ON BOARD DIVERSITY

The Board shall comprise of Directors having expertise in different areas / fields like Finance, Sales and Marketing, Banking, Engineering, Human Resource management, etc. or as may be considered appropriate. The Board shall have at at least one Board member who has accounting or related financial management expertise and atleast one women director.

The balance of Skills and experience along with diversity of thought, knowledge and perspective and gender will help the Company in attainment of its objectives.

MODIFICATION AND AMENDMENT

This policy is subject to modification and amendments from time to time.

On behalf of the board of directors

Sd/-

Mr. Vinay K. Uchil

Chairman and Executive Director

DIN: 01276871

Sd/-

Mr. Venkatesh K. Uchil

Managing Director

DIN: 01282671

Date: 22nd August, 2022

Place: Mumbai

ANNEXURE B

Disclosure of Managerial Remuneration

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

A. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for FY 2021-22 as well as the percentage increase in remuneration of each Director, Chief Financial Officer (CFO) and Company Secretary are as under:

Sl. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees	% increase in remuneration in the financial year
A	Executive Directors		
1	Mr. Vinay K. Uchil (Chairman & Executive Director)	12.68	25%
2	Mr. Venkatesh K. Uchil (Managing Director)	12.68	25%
B	Non- Executive Directors		
3	Dr. Tanuja D. Pudhierkar (Director)	0.00	0.00
4	Mr. Shailendra Kumar Shukla (Director)	0.00	0.00
5	Mr. Madan Pendse (Independent Director)	0.00	0.00
6	Mr. Nikunj Mishra (Independent Director)	0.00	0.00
7	Mr. Vikas Jaywant (Independent Director)	0.00	0.00
8	Mr. Mohan Rao (Independent Director)	0.00	0.00
9	Ms. Archana Venkata Rajagopalan (Independent Women Director)	0.00	0.00
C	Key Managerial Personnel (KMP)		
10.	Ms. Namita Sethia (Chief Financial Officer appointed on 30 th July, 2020)	-	0.00
11.	Ms. Mitali Ambre (Company Secretary appointed on 27 th February, 2021)	-	0.00

- Note:
- Median remuneration of Employees: Rs. 36,807 (per month)
 - There are two Whole-time Directors i.e., Mr Venkatesh Uchil, Managing Director and Mr Vinay Uchil, Chairman & Executive Director. There has been increase of 25% in the managerial remuneration during the financial year 2021-22 pursuant to the special resolution passed by the shareholders of the Company in its Annual General Meeting held on 28th September, 2021.
- B. The percentage increase in the median remuneration of employees in the financial year 2021-22 - 10%
- C. Number of permanent employees on the rolls of the Company as on March 31, 2022: 407
- D. Comparison of average percentile increase in salary of employees other than the managerial personnel and the percentile increase in the managerial remuneration:

Particulars	% change in remuneration
Average increase in salary of employees (other than managerial personnel)	10%
Average increase in remuneration of managerial personnel	25%

- E. Affirmation: It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

STATEMENT OF PARTICULARS OF EMPLOYEES

(Pursuant To Section 197 Of The Companies Act, 2013 Read With Rule 5(2) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014)

List of Top 10 salaried employees for the Financial Year ended 31st March, 2022.

Sl. No.	Name & Designation	Remuneration received during the period from April 1, 2021 to March 31, 2022	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age (DOB)	The last employment held before joining the Company	Whether is a relative of any director or manager of the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause(iii) of sub-rule (2) of Rule 5
1	Mr. Suresh Nair - Vice President Operation	Rs. 36,00,000	Regular	B.E Electricals and 22 Yrs.	12/02/2019	24/12/1969	Merchant Navy	No	Nil
2	Mr. T K Mani - General Manager R&D	Rs. 24,00,000	Regular	B.E Electricals and 30 Yrs.	01/08/2018	15/10/1950	NA	No	Nil
3	Mr. Pritesh Jani - Automation Head	Rs. 27,60,000	Regular	B.E Electricals and 15 Yrs.	01/06/2016	24/01/1984	Phoenix Contact India Emerson Export Engineering	No	Nil
4	Mrs. Stella D'Souza Purchase Head	Rs. 14,76,000	Regular	HSC and 26 Yrs	01/04/2013	29/01/1968	No	No	Nil
5	Mr. B Jayesh Manager (Estimation & Project)	Rs. 17,40,000	Regular	B.E Electricals 27 Yrs.	07/04/2014	14/05/1971	Indian Navy	No	Nil
6	Mr. Ram Singh General Manager Operation & Projects	Rs. 16,80,000	Regular	B.E Electricals 22 Yrs.	70/04/2014	23/11/1974	Indian Navy	No	Nil
7	Mr. Navin Rao General Manager	Rs. 19,80,000	Regular	B.E Electricals 27 Yrs.	01/04/1999	20/03/1974	NA	No	Nil

STATEMENT OF PARTICULARS OF EMPLOYEES

(Pursuant To Section 197 Of The Companies Act, 2013 Read With Rule 5(2) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014)

List of Top 10 salaried employees for the Financial Year ended 31st March, 2022.

Sl. No.	Name & Designation	Remuneration received during the period from April 1, 2021 to March 31, 2022	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age (DOB)	The last employment held before joining the Company	Whether is a relative of any director or manager of the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) of Rule 5
8	Mrs. Rinku Joshi General Manager Accounts & Finance	Rs. 16,20,000	Regular	B.Com and 24 Yrs.	19/08/1997	14/05/1974	NA	No	Nil
9	Mr. P R Mohanraj General Manager Service	Rs. 16,20,000	Regular	B.E. Electricals 30 Yrs.	08/05/2002	30/06/1962	Indian Navy	No	Nil
10	Mr. Amit Ghokle Manager Design & Estimation	Rs. 13,80,000	Regular	B.E. Electricals 15 Yrs.	16/11/2015	02/08/1982	Simulation	No	Nil

On behalf of the board of directors

Sd/-

Mr. Vinay K. Uchil

Chairman and Executive Director

DIN: 01276871

Sd/-

Mr. Venkatesh K. Uchil

Managing Director

DIN: 01282671

Date: 22nd August, 2022

Place: Mumbai

ANNEXURE C

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of,
Marine Electricals (India) Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Marine Electricals (India) Limited** having CIN: L31907MH2007PLC176443 and having registered office at B/1, Udyog Sadan No. 3, MIDC, Andheri (E), Mumbai MH – 400093, India hereinafter referred to as the (“Company”) produced before me 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 my opinion and to the best of my 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 me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 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.

Sl. No.	Name of the Director	DIN	Date of appointment in Company
1	Vinay Krishna Uchil	01276871	04/12/2007
2	Venkatesh Krishnappa Uchil	01282671	04/12/2007
3	Mohan Rao	02592294	30/05/2020
4	Nikunj Kishore Mishra	03589730	11/07/2018
5	Vikas Manohar Jaywant	06607484	24/02/2020
6	Madan Gopal Pendse	07650301	11/07/2018
7	Shailendra Kumar Shukla	08049885	07/12/2018
8	Tanuja Deepak Pudhierkar	08190742	01/08/2018
9	Archana Venkata Rajagopalan	09077128	23/02/2021

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.

Place : Mumbai

Date : 22nd August, 2022

Name of Practicing CS: Jigarkumar Gandhi,
Proprietor
JNG & Co.,
FCS No: 7569
CP No: 8108
Peer Review No: 1972/2022
UDIN:F007569D000826233

ANNEXURE D

FORM NO. 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 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
MARINE ELECTRICALS (INDIA) LIMITED
B/1, Udyog Sadan No.3,
MIDC, Andheri (E),
Mumbai - 400093.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 (**'Audit Period'**) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made 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 Investments and Overseas Direct Investments;
- (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, 2018; **(Not Applicable during the audit period)**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable during the audit period)**
 - e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (not applicable to the company during the review period)
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable during the audit period)**

- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable during the audit period)**
 - i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not Applicable during the audit period)**
 - j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (SEBI LODR) and
 - k) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (vi) Other Laws applicable specifically to the Company are;
- a. The Factories Act, 1948
 - b. The Employees Provident Funds Act, 1952;
 - c. The Employees State Insurance Act, 1948 (ESIC Act);
 - d. The Payment of Bonus Act, 1965 & Rules;
 - e. The Maternity Benefit Act, 1961;
 - f. The Minimum Wages Act, 1948;
 - g. The Payment of Gratuity Act, 1972;
 - h. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
 - i. The Equal Remuneration Act, 1976;
 - j. Bombay IR Act, 1946;
 - k. The Industrial Dispute Act, 1947;
 - l. The Weekly Holiday Act, 1942;
 - m. The Maharashtra Labour Welfare Fund Act, 1953 & The Maharashtra Labour Welfare Fund Rules, 1953;
 - n. The Employees State Insurance Act, 1948 (ESIC Act);
 - o. The Contract Labour (Regulation and Abolition) Act, 1970 & The Maharashtra Contract Labour (Regulation and Abolition) Rules, 1971;
 - p. The Maharashtra Workmen's Minimum House-Rent Allowance Act, 1983 & The Maharashtra Workmen's Minimum House-Rent Allowance Rules, 1990;
 - q. The Industrial Employment (Standing Order) Act, 1946;
 - r. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959;
 - s. The Electricity Act, 2003;
 - t. Air (Prevention and Control of Pollution) Act, 1981;
 - u. Water (Prevention and Control of Pollution) Act, 1974;
 - v. Environment (Protection) Act, 1986;
 - w. Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016;
 - x. The Water (Prevention and Control of Pollution) Cess Act, 1977 (Water Cess Act) And Water (Prevention and Control of Pollution) Cess Rules, 1978 (Water Cess Rules);
 - y. Other applicable laws.

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

- a) Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- b) The Listing Agreements entered into by the Company with stock exchanges;
During the Audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and Women Director in terms of Companies Act, 2013 and Regulation 17 of SEBI (LODR), 2015.
2. The company has obtained approval of the shareholders in the 14th Annual General Meeting held through video conferencing on 28th September, 2021 and has complied with the provisions of the Act and regulations prescribed under SEBI Act in respect of the following:
 - a) Re-appointment and fixation of remuneration of Mr. Vinay Uchil (DIN: 01276871) as Chairman & Executive Directors of the Company and Mr. Venkatesh Uchil (DIN: 01282671) as Managing Director of the Company for a period of three years w.e.f. from 01st August, 2021 till 31st July 2024.
 - b) Regularization of appointment of Mrs. Archana Rajagopalan (DIN: 09077128) as Non-Executive Independent Director for the period up to 22nd February, 2024 not liable to retire by rotation and who was appointed as additional Non-Executive Independent Director w.e.f 23rd February, 2021.
 - c) Re-appointment of Mrs. Tanuja Pudhierkar (DIN: 08190742) who retires by rotation and being eligible offers herself for re-appointment.
3. The National Stock Exchange of India Limited (NSE) had imposed a fine of Rs. 1,77,000/- (including GST of Rs. 27,000/-) vide Ref: NSE/LIST-SOP/COMB/FINES/0814 dated: 15th February, 2021 and Rs. 3,12,700/- (including GST of Rs. 47,700/-). vide Ref. NSE/LIST-SOP/COMB/FINES/0815 dated: 17th May, 2021 with respect to non-compliance with Regulation 17 (1) of SEBI (LODR) Regulations, 2015 for the period starting from 02nd December, 2020 to 31st December, 2020 and 01st January, 2021 to 22nd February, 2021 respectively. In response to the notices, the company had appointed Mrs. Archana Rajagopalan (DIN: 09077128) as Non-Executive Independent Woman Director and made a total payment of Rs. 4,89,700/- (Including GST of Rs. 74,700/-)to the NSE as per the said notices.

Adequate notice is given to all directors to schedule the Board Meetings (including meetings of the committees), agenda and detailed notes on agenda were sent 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.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously or majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

For M/s. R. Bhandari & Co.
Company Secretaries

Raghunath Bhandari
Proprietor
FCS No. 8048
CP No. 15381

Peer Review Certificate No.: 1986/2022
UDIN :F008048D000823271

Date : 22nd August, 2022

Place: Mumbai

This report is to be read with our letter which is annexed as Annexure I and forms an integral Part of the Report

ANNEXURE I

To,
The Members,
MARINE ELECTRICALS (INDIA) LIMITED
B/1, Udyog Sadan No.3,
MIDC, Andheri (E),
Mumbai - 400093.

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of Secretarial record of applicable laws is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards applicable to the Company is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M/s. R. Bhandari & Co.
Company Secretaries

Raghunath Bhandari
Proprietor
FCS No. 8048
CP No. 15381

Peer Review Certificate No.: 1986/2022
UDIN : F008048D000823271

Date : 22nd August, 2022
Place: Mumbai

ANNEXURE E

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE INFLOW & OUTFLOW

Energy conservation continues to be an area of focus for your Company. Initiatives to integrate energy efficiency into overall operations are undertaken through design considerations and operational practices.

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

a) Conservation of Energy

Your Company has taken sufficient steps to conserve energy by monitoring the use thereby resulting in savings for the company.

b) Technology Absorption

The Company is using latest technology for manufacturing of the products and same has been fully absorbed. The Company is continuously improving its quality and installed latest equipment and new testing and measuring equipment. Indigenous technology available is continuously being upgraded to improve overall performance. Indigenous technology available is continuously being upgraded to improve over all performance.

c) Expenditure on Research & Development

Your company has in addition to R&D facility in Mumbai started a R&D facility in Kochi to increase new product development. We have already designed two new products in the year which will commercially sold in the next financial year. Also our new team of very senior engineers have brought improvements in all our existing products developed by the company in the past.

d) Foreign Exchange Earnings/ Outgo (Rs: in Lakhs):

Foreign Exchange Earnings: Rs. 2895.18 lakhs

Foreign Exchange Outgo: Rs. 4034.08 lakhs

On behalf of the board of directors

Sd/-

Mr. Vinay K. Uchil

Chairman and Executive Director

DIN: 01276871

Sd/-

Mr. Venkatesh K. Uchil

Managing Director

DIN: 01282671

Date: 22nd August, 2022

Place: Mumbai

ANNEXURE F

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes: Marine, CSR Policy is focused on enhancing the lives of the local community in which it operates. This takes shapes by way of providing a better quality of life for the people in the communities in which the Company operates. We strongly believe in contributing towards the betterment of society and endeavor to create a positive impact, while achieving our business goals. The CSR Policy can be accessed on company's website viz; <https://www.marineelectricals.com/images/policies/Corporate-Social-Responsibility-Policy-CSR.pdf>

2. The composition of the CSR committee:

Sr. No.	Name of Director	Designation Nature of Directorship	No. of Committee meetings held during the year	No. of Committee meeting attended
1	Mr. Vinay Uchil	Chairman and Executive Director	1	1
2	Dr. Tanuja Pudhierkar	Member Non-Executive Non-Independent Director	1	1
3	Mr. Nikunj Mishra	Member Non-Executive Independent Director	1	1
4	Vikas Jaywant	Member Non-Executive Independent Director	1	1

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

<https://www.marineelectricals.com/images/policies/Corporate-Social-Responsibility-Policy-CSR.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

Sr. 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 lakhs)
1	2021-2022	Rs. 4,04,527 (from F. Y. 2020-21)	Nil
TOTAL			Rs. 4,04,527/-

6. Average net profit of the company as per section 135(5) :

(Rs. In Lakhs)

2020-21	7,82,85,073
2019-2020	6,55,96,947
2018-2019	7,75,31,842
Total Profit	22,14,13,862
Average 3 Years	7,38,04,621

DIRECTOR'S REPORT

7)

(a)	Two percent of average net profit of the company as per section 135(5)	Rs. 14,76,092
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(c)	Amount required to be set off for the financial year, if any	Nil
(d)	Total CSR obligation for the financial year (7a+7b- 7c)	Rs. 14,76,092

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

Total amount Spent for the Financial year (Rs. in Lakhs)	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
Rs. 15,85,000/-	NA	NA	NA	NA	NA

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

(1) Sl. 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) Project Duration	(7) Amount allocated for the Project (in Rs.)	(8) Amount spent in the current financial year (in Rs.)	(9) Amount transferred to Unspent CSR account for the project as per section 135(6) (in Rs.)	(10) Mode of implementation - direct (Yes/No)	(11) Mode of implementation - Through implementing agency	
				State	Distri-ct						Name	CSR Regis-tration-No.
1	NOT APPLICABLE											

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

(1) Sl. 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 Lakhs)	(7) Mode of implementation direct - (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration No.
1	Covid Quarantine Centre at Calangute Goa	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	No	Goa	Goa	Rs. 10,00,000/-	No	Keshav Seva Sadhna	CSR00006997

DIRECTOR'S REPORT

(1) Sl. 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 Lakhs)	(7) Mode of implementation direct - (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration No.
2	Sponsoring Main Electrical Panel Board for completion of School Building of Dr. K.B. Hedgewar Vidyalyal, Curti Ponda Goa	II - Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	No	Goa	Goa	Rs. 1,85,000/-	No	Dr. Keshav Baliram Hedgewar Shikshan Prasarak Mandal	CSR00022482
3	Abhilasha (a pre-vocational center for People with Developmental Disabilities)	II - Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Maharashtra	Mumbai	Rs. 4,00,000/-	No	Amrita Trust	CSR00009988

(d) Amount spent in Administrative Overheads: NA

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 15,85,000**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs. in Lakhs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 14,76,092
(ii)	Total amount spent for the Financial Year	Rs. 15,85,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 1,08,908/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 1,08,908/-

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

Sl. No	Preceding financial year	Amount transferred to Unspent CSR Account 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), is any			Amount remaining to be spent in succeeding financial year (in Rs.)
				Name of the fund	Amount (in Rs.)	Date of transfer	
1.	2018-2019			Not Applicable			
2.	2019-2020			Not Applicable			
3.	2020-2021			Not Applicable			

(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	Amount spent on the project in the reporting	Cumulative amount spent at the end of reporting financial year (in Rs.)	Status of the project - completed / ongoing
Not Applicable								

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

(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

Sd/-
Mr. Vinay K. Uchil
Chairman CSR Committee

Sd/-
Mr. Venkatesh K. Uchil
Managing Director

Date: 22nd August, 2022

Place: Mumbai

A. Overview of the Company's Business:

Marine Electrical's business prospects are linked to the growth of Electrical, NAVCOM and automation solution needs of India and neighbouring countries having MEIL footprint. In addition, the growth of Marine / Shipping industry also brings significant opportunities and value proposition to our services business concentrated in India and middle-east. Strong electrical, electronics and NAVCOM back-bone clubbed with the growing services portfolio helps to leverage MEIL as a turn-key package solution provider to the shipyards as a credible integrator. This also enables us to attempt larger repair and service contracts. The Management Discussion and Analysis of MEIL therefore focuses on the trends and business opportunities emerging from these sectors and analyses our competitive positioning in these businesses. Company has timely steps for horizontal and vertical expansions into related business and technology segments with measured low-risk manageable steps.

We have just recovered from the impacts of COVID-19 Pandemic. US-China declining relationships, and consequent slowing down and reorganizing of manufacturing hubs have subjected certain strain in the supply-chain. Taiwan's worst draught in 50 years has also impacted the semi-conductor supply since chain, since Taiwan is world's one of the largest semiconductor manufacturing hubs. Russia-Ukraine conflict, and resultant Global and regional embargo have brought in some market volatility of transition and a new global order. While these had adverse impact to some of the weak market players, it had a rather growing impact on MEIL for its balanced domestic and global delivery mix; innovative and creative adaptation to emerging situation and adaptive fiscal discipline to sustain, deliver, survive and grow. We have ramped up efficient work from home regimes in a quick time, worked on mixed regimes of work from home/ office and emerged very flexible, dynamic and resilient to meet the challenges as they emerged.

B Performance of the Company:

The Key Financials Parameters as on 31st March, 2022 on Standalone and Consolidated Basis are as follows:
Standalone:

Particular	As on 31 st March 2022	As on 31 st March 2021
Debt/Equity Ratio	0.19	0.33
Debt Service Ratio	2.82	4.95
Interest Coverage Ratio	4.91	3.39
Current Ratio	1.69	1.58
Net Profit Ratio	3.87%	3.92%
Operating Profit Ratio:	7.46%	9.30%

Consolidated:

Particular	As on 31 st March 2022	As on 31 st March 2021
Debt/Equity Ratio	0.19	0.29
Debt Service Ratio	2.90	5.02
Interest Coverage Ratio	4.95	3.92
Current Ratio	1.65	1.61
Net Profit Ratio	3.53%	5.39%
Operating Profit Ratio:	7.10%	10.38%

Revenue from operations:

Standalone: Rs. 32,288.56 Lakhs

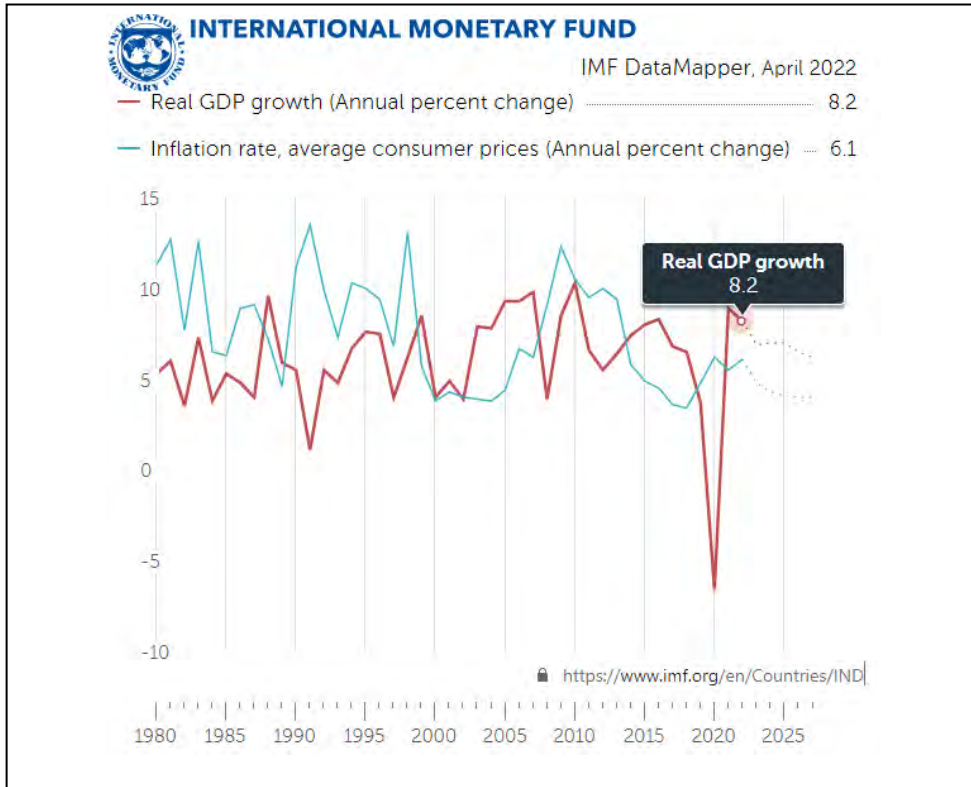
Consolidated: 37,632.86 Lakhs.

C Performance of each Segments

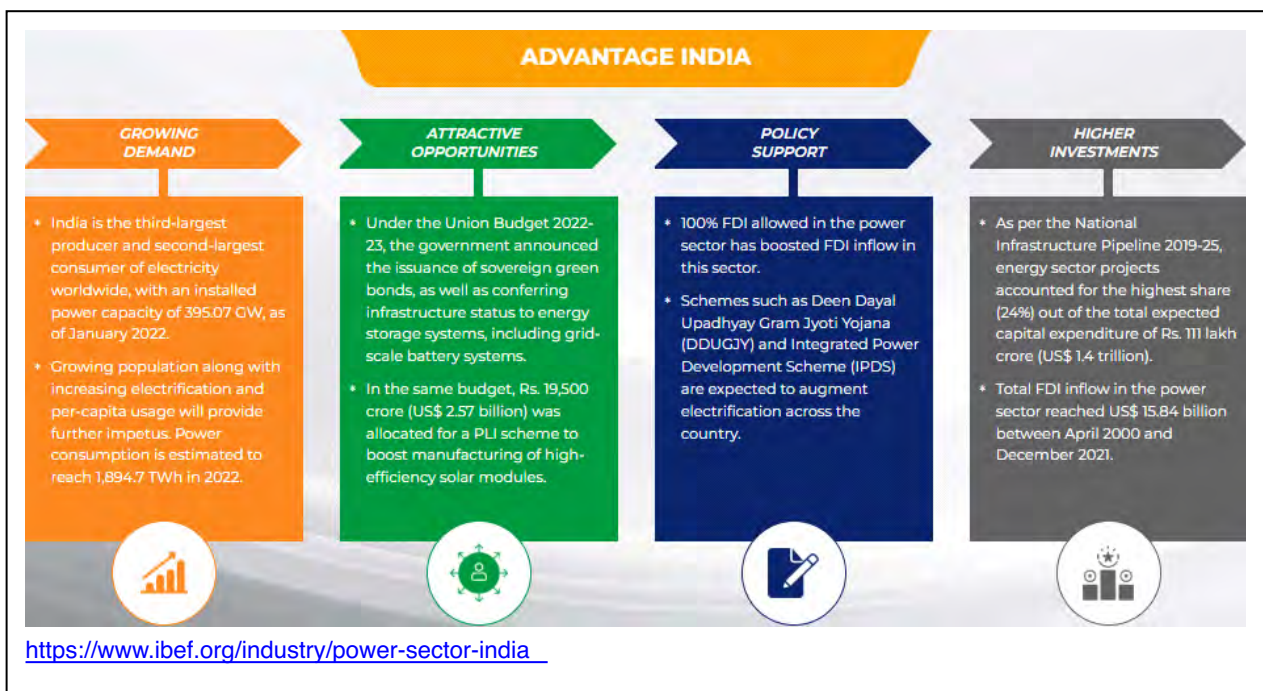
Our Company is mainly dealing into two segments viz Electricals & Electronics and Solar. The Company has been receiving orders from customers for Electricals & Electronics segment on regular basis. The Company achieved revenues of Rs. 32,058.48 Lakhs for Electricals & Electronics segment and Rs. 230.08 Lakhs for Solar segment during FY 2021-22 as against Rs. 18,201.35 Lakhs for Electricals & Electronics segment and Rs. 1,786.02 Lakhs for Solar

segment during FY 2020-21. The Company achieved PBIT of Rs. 2,459.11 Lakhs - for Electricals & Electronics segment and Rs. (393.38) Lakhs for Solar segment during FY 2021-22 as against Rs. 2041.16 Lakhs for Electricals & Electronics segment and Rs. (488.17) Lakhs for Solar segment during FY 2020-21.

Economic Environment: A robust GDP growth indicator



Electrical Power Generation and Distribution Sector

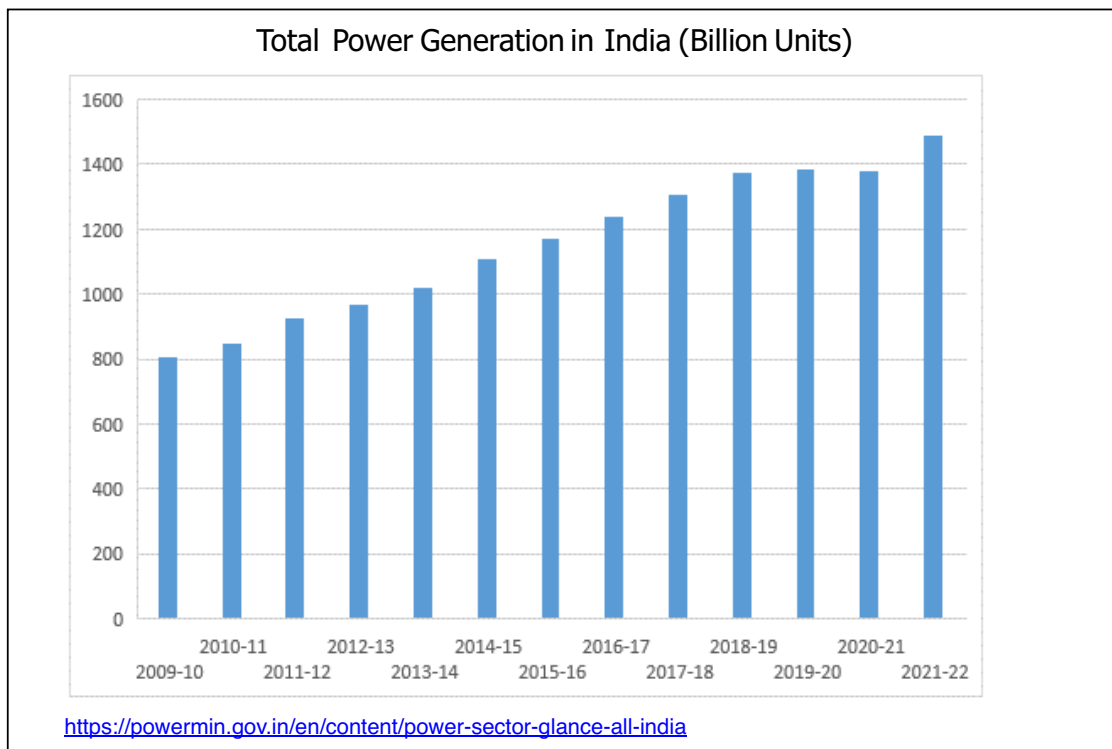


The core business of Marine Electricals is directly or indirectly impacted by the demand, opportunities, favorable policy initiatives and buoyant investment possibilities. As evident in the afore analysis summary, today, we have all these in our favour and therefore we should look forward to a positive business growth impact.

Government of India, Ministry of Power Annual Report 2021-22, reports that India has transformed from power deficit to power surplus. From 2014 to Nov, 2021, India has added power generation capacity of 160.8 Giga Watts consisting of 83,920 MW from Fossil Fuel and 76,900 MW from Non-Fossil Fuel Capacity making India power surplus.

Source: https://powermin.gov.in/sites/default/files/uploads/MOP_Annual_Report_Eng_2021-22.pdf Total Power Generation in India (Billion Units)

The total installed capacity was 395 GW as on 31.01.2022, out of which 235.9 GW is fossil fuel based (Coal/gas etc.) and 159.1 GW is non-fossil fuel (Renewable Energy + Nuclear) based. The installed capacity is now close to double the peak demand and India is exporting power to Nepal, Bangladesh and Myanmar. Concurrently, India electrical materials market, valued at USD 5969.13 Million in FY2020 and is projected to grow at double digit CAGR of 17.88% during the forecast years, to reach USD 9714.33 Million through FY2026.



Some of the specific developments and growth drivers in the power sector, which will have chain effect of increasing our business prospects are:

- In March 2022, NTPC announced that it was ready to start partial power generation of 10 GW from a 92 MW floating solar energy plant being set up at NTPC's unit at Kayamkulam in Kerala
- In March 2022, NTPC announced that it will start commercial operations of 74.88 MW capacity of its 296 MW Fatehgarh solar project in Rajasthan
- In March 2022, Adani Solar and Smart Power India (SPI), a subsidiary of Rockefeller Foundation, signed a non-financial and non-commercial MoU to promote the usage of solar rooftop panels in rural India
- In February 2022, Kolkata-based Eminent Electricity Distribution Ltd., a subsidiary of CESC Limited, bid Rs. 871 crore (US\$ 113.24 million) to take over Chandigarh's power supply department, which was approved and the transition will happen by the end of March
- SJVN Limited is looking to develop 10,000 MW solar power projects inviting an investment of Rs. 50,000 crore (US\$ 6.56 billion) in the next five years in Rajasthan.

- In November 2021, the NTPC announced that its 80 MW solar power-generation capacity in Jetsar (Rajasthan) has started commercial operations from October 22, 2021. The total capacity of the project is 160 MW.
- In November 2021, SJVN began the second unit work of the 1,320 MW Buxar thermal power plant in Bihar.
- In October 2021, the NTPC was awarded a contract to set up a 325MW solar power project in Madhya Pradesh.
- On September 29, 2021, NTPC Renewable Energy Ltd (REL), a 100% subsidiary of NTPC Ltd, signed its first green term loan agreement with the Bank of India for Rs. 500 crore (US\$ 67.28 million) at a competitive rate and a tenor of 15 years for its 470 MW solar projects in Rajasthan and 200 MW solar projects in Gujarat.
- In September 2021, Adani Group announced an investment of US\$ 20 billion over the next 10 years in renewable energy generation and component manufacturing.
- In July 2021, National Thermal Power Corporation Renewable Energy Ltd (NTPC REL), NTPC's fully owned subsidiary, invited a domestic tender to build India's first green hydrogen fueling station in Leh, Ladakh.
- In July 2021, Bharat Heavy Electricals Limited (BHEL) received a large contract from Nuclear Power Corporation of India Limited (NPCIL) for the supply of 12 steam generators of India's highest rated indigenously-developed 700 MW Pressurized Heavy Water Reactors (PHWR) worth Rs. 1,405 crore (US\$ 189.20 million).
- In July 2021, NTPC announced that it would invest Rs. 2-2.5 crore (US\$ 0.27-0.34 million) over the next 10 years to expand renewable capacity.
- In June 2021, NHPC signed a memorandum of understanding (MoU) with Bihar State Hydro-Electric Power Corporation Limited (BSHPCL) to execute Dagmara HE Project (130.1 MW) in the state.
- In March 2021, Actis LLP, a private equity firm, announced plans to invest US\$ 850 million to build two green energy platforms in India. According to the firm, the first platform will focus on setting up grid-connected solar and wind power parks, while the second platform will tailor to the commercial and industrial segment.
- In January 2021, TOTAL acquired a 20% stake in Adani Green Energy. In addition, as a part of this deal, TOTAL undertook 50% in 2.35 GW portfolio of operating solar assets in Adani Energy Limited. The combined deal amount was worth US\$ 2.5 billion.
- In January 2021, Tata Power received a letter of award (LOA) from Kerala State Electricity Board Limited (KSEBL) to develop a 110 MW solar project. With this, Tata Power's renewable capacity will increase to 4,032 MW, out of which 2,667 MW is operational and 1365 MW is under implementation, including 110 MW won under this LOA.

Source: <https://www.ibef.org/industry/power-sector-india>

The above parameters are indicative of robust and sustained market for Electrical Business of MEIL in all sectors - Industry, Commercial and Defence. This in synchronism with company's growth parameters is a testimony of healthy business environment around us. The PEST and SWOT analysis undertaken by in-house teams also substantiates the healthy business trends.

D Naval Shipbuilding

1. The Indian Navy has been the leading patron of the indigenisation of defence production capabilities, with a vision of a 200 - strong combat fleet by 2027. In wake of the naval vision, warship construction has witnessed an unprecedented growth. This has been a growth impetus for Marine Electricals too.
 - I. The various projects of Indian Navy, at different stages of execution in shipyards are tabulated below (excluding smaller ships like FACs & auxiliary crafts). This is the current business concentration of the Naval division of our Company:

Ser	Project	Type	No of Ships	Shipyard
(a)	IAC	Aircraft Carrier	01	M/s Cochin Shipyard Ltd.
(b)	P15B	Destroyers	04	M/s Mazagon Shipbuilders Ltd.
(c)	P17A	Frigates	07	M/s Mazagon Shipbuilders Ltd. & M/s Garden Reach Shipbuilders Ltd.
(d)	Follow on 1135.6	Frigates	02	M/s Goa Shipyard Ltd.
(e)	Survey Vessel	Survey Vessel	04	M/s Garden Reach Shipbuilders Ltd.
(f)	Anti-Submarine Warfare Shallow Water Craft	Warship	16	M/s Cochin Shipyard Ltd. M/s Garden Reach Shipbuilders Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

Ser	Project	Type	No of Ships	Shipyard
(g)	DSV	Diving Support Vessel	02	M/s Hindustan Shipyard Ltd
(h)	FSS	Tanker	05	M/s Hindustan Shipyard Ltd
(i)	PCV	Pollution Control Vessel	02	Goa Shipyard Ltd
(j)	NG OPV	Next Gen Offshore Patrol Vessels	11	Goa Shipyard Limited
(k)	P75 (I)	AIP Submarines	06	Strategic Partnership Model
(l)	SSP/ FDN-3	Floating Dock (Navy)-3	01	Hindustan Shipyard Limited
	Total		61	

- II Shipbuilding Projects of Indian Navy in on the Anvil / Planning Phase (excluding smaller ships like FACs & auxiliary crafts). This forms longer term business target for Marine Electricals spanning over next few years:

Ser	Project	No. of Ships
(a)	LPD, Landing Platform Dock	04
(b)	NGMV, Next Gen Missile Vessel	06
(c)	Survey Training Vessel	01
(d)	MCMV, Mine Counter Measure Vessel	12
(e)	MPV, Multi-Purpose Vessel	04
(f)	NGC, Next generation Corvettes	07
(g)	NGF, Next Generation Frigates	07
(h)	CTS, Cadet Training Ships	03
(l)	NGD, Next Generation Destroyers	05
(j)	IAC 2, Indian Aircraft Carrier - 2	01
	Total	50

- III. In addition to the Indian Navy, the Indian Coast Guard is also engaged in a massive expansion plan and is in the process of acquiring various craft to strengthen the maritime boundaries of the country.
- IV. However, the performance of private shipbuilding industry has been much better in terms of project completion mainly attributable to less complex weapons and sensors, leading to timely completion of the project. The various shipbuilding projects of Indian Coast Guard in progress / planning phase are as below.

Ser	Project	Quantity	Shipyard
(a)	Fast Patrol Vessel	05	M/s Garden Reach Shipbuilders Ltd
(e)	Training Ship	01	RDEL NCLT, Will be retendered
(g)	Interceptor Boats	15	BDIL
(h)	FSB	05	BDIL
(l)	Pollution Control Vessel	02	Goa Shipyard Limited
	Total	28	

- V. Shipbuilding Projects of Coast Guard in Planning Phase: Which would add to the business target over coming decade:

Ser	Project	No. of Ships
(a)	Air Cushion Vessel	06
(b)	Fast Patrol Vessel	08
	Total	14

Marine Electricals' flagship equipment such as Integrated Bridge System, NAVCOM systems including navigation radars, Main Switchboard, assorted control panels, alarm monitoring systems and a host of data aggregation control systems for fire, flood and auxiliary machinery control systems are needed by all above ships. This forms a significant established business segment for the naval division of Marine Electricals. This year we got a MSB and APMS order for a state-of-the art stealth frigate and many smaller contracts, in which VME-64 based open architecture automation solution has to be provided. These credentials are opening up our entry into many more VME-64 based automation solutions, which are normally sought for frontline warships' systems.

- VI. Inland Water Transport (IWT) : To create a country wide waterways network and to promote inland water transport in the country as an economical, environment friendly supplementary mode of transport to rail and road, **111 inland waterways** have been planned and many are under execution stage. The Inland Water Transport (IWT) mode is widely recognized as a fuel efficient, environment friendly and cost effective mode, especially for bulk goods, over dimensional cargo and hazardous goods. The primary requirement of making this mode commercially viable is development of IWT infrastructure (fairway, terminals and NAV COM) and at the same time creating and enabling environment for augmentation of IWT fleet, primarily by the private sector. Keeping in view that India has a coastline of 7,500km, and In Land Waterways (ILW) potential of over 20,000 kms ship building and ship repair have been recognised as key sectors under Make In India (MII) initiative. We have started receiving orders from the projects under IWT.



Repair and Maintenance Services

With the growing ship repair and technical services sector, our services business of marine and defence sector also continues to be healthy and expected to grow along with the buoyant business scenario. Our navigation and Communication services business also grows in sync with the growth of ship repair and

technical services opportunity.

We have over 30 types of electrical / electronic equipment approved by Govt of India (DGQA). We offer Annual Maintenance Contracts (AMC) and Rate Repair Contracts (RRC) for all our equipment. MEIL has branch offices in 12 locations, mostly around the coast, for providing water front support to our customers. These AMC/ RRC provide a parallel sustained derivative business stream for us.

- 2. Business Domain Expansion:** Marine Electricals has taken timely steps for horizontal and vertical expansions into related fields for better benefits at lower risk such as:

Broadened Industrial Customer Base: Datacenters, Steel, Cement, Chemical, Pharma and Automobile industries, High rise buildings using own patented solutions for LV (MEcubE3), MV (MEpowerR3), Busduct solution etc.

Geographical Expansion in Industrials

Entering South India with acquisition of Eltech Engineers

Exploring acquisition opportunities to enter North & Eastern India

Metro Rails: Electrical Products and Sensors

Indian Railways: Electrical Equipment and Lights

Ports: Vehicle traffic management system, Port management systems for port operations

Electric Vehicles: Charging Stations for Fast Charging

Expanding Solution Offerings in Marine

Providing IPMS for commercial ships, working on expanding it to Naval Ships

Focusing on complete installation package for Naval Ships

Targeting to receive Service Contract for Weapon Systems

- 3. Achieved Business Parameters :** The Y-o-Y growth parameters of MEIL are outlined as below. As can be observed the growth trends of MEIL are following/ exceeding the growth trends of the sector.

Year	Order Book*	Revenue/ Sales*	PBIT*
2021-22	35,620.00	32,288.56	1,763.71
2020-21	44,100.00	19,987.37	1,085.82
2019-20	40,170.19	20,771.13	1,572.78
2018-19	18,786.00	32,323.03	1,728.33
2017-18	16,087.40	28,766.39	2,266.86
2016-17	4,361.24	20,944.17	1,875.94
2015-16	3,262.97	19,344.95	1,530.51

- 4. Competitive Scenario :** MEIL has the first mover's advantage. It has been able to resist and sustain the aggressive moves and postures of the new incomers in this business domain. The International players do pose a challenge but, MEIL product quality and market reputation are also at par with International brands. We make all endeavors to maintain and sustain international quality and maturity in our products, processes and product life cycle support.

E Overall Business and Growth Strategy

Marine Electrical intends to be one of the top ten players in the global marine market. We will realise this by becoming a true life cycle management partner, combining two key roles as system integration partner and maintenance partner to all our customers and constantly focus on exceeding their expectations. And last but not least, we are dedicated to create smart and green solutions at a competitive cost of ownership.

Marine Electricals will provide high quality Industrial solutions for LV, MV & Automation addressing requirements of diverse customers thru superior technology & manufacturing standards. We aspire to take leadership position in Western region of India.

A focus on power plants, the automotive industry, pharmaceuticals, chemicals and petrochemicals, the energy and environment market, pharmaceuticals, machine building, oil & gas, and the aircraft industry.

F Safety and Environment Clearances Outlook

We continuously seek to improve safety and reliability at all our production facilities. Our production facilities have been awarded the ISO Certification for maintaining quality and environment management standards.

G. Statutory Compliance

The Company Secretary Cum Compliance Officer ensures compliance with SEBI Regulations and Listing Agreement, Guidelines of Insider Trading and Companies Act 2013.

H Internal Control Systems

The company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively

I Return on Networth (Consolidated)

The return on networth for the financial year 2021-22 is 7.31% as compared to 7.96 for the financial year 2020-21.

J. Cautionary Statement

The management discussion and analysis report containing your company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the company's operation include raw material availability and prices, cyclical demand and pricing in the company's principal markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the company conducts business and other incidental factors.

I. Philosophy on Code of Governance

Your Company believes that sound ethical practices, transparency in operations and timely disclosures go a long way in enhancing long-term shareholders value while safeguarding the interest of all the stakeholders. It is this conviction that has led the Company to make strong corporate governance values intrinsic in all operations. The Company is led by a distinguished Board. The Board provides a strong oversight and strategic counsel. The Company has established systems and procedures to ensure that the Board of the Company is well-informed and well-equipped to fulfill its oversight responsibilities and to provide management the strategic direction it needs to create long-term shareholders value.

The Company has adopted a Code of Conduct for its Board of Directors and Senior Management Personnel and its employees. The Company also laid down under Insider Trading Regulations, Insider Trading Code and Code on fair disclosure of unpublished price sensitive information to safe guard interest of the shareholders.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations (LODR) as applicable, with regard to corporate governance.

II. Board of Directors

Board diversity

Company recognizes the benefits of a Board that possesses a balance of skills, experience, expertise and diversity for effective decision making. Diversity at the Board level is an important element in strong corporate governance. The Board diversity enhances decision-making capability and a diverse Board is more effective in dealing with organizational changes and less likely to suffer from group thinking. The Board diversity policy adopted by the Board is available on the website of the Company at

<https://www.marineelectricals.com/images/policies/Board-Diversity-Policy.pdf>

a) Composition:

Regulation 17 of the SEBI Listing Regulations (LODR) has mandated that where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors. Further SEBI Listing Regulations (LODR) (Amendments) 2018 has mandate the Board of top 1000 listed companies to have at least one Independent Woman Director on the Board. The Board of the Company is having appropriate mix of Executive, Non-Executive and Independent Directors.

As on March 31, 2022, the Board comprises of total Nine (9) members, One (1) Chairman and Executive Director, one (1) Managing Director, Two (2) Non Executive Non- Independent Directors and Five (5) Non-Executive Independent Directors out of which One (1) is Non-Executive Independent Woman Director. Hence the composition of the Board is in conformity with SEBI Listing Regulations (LODR) and amendments thereof.

The details of Board members along with their tenure during the financial year 2021-22 are as follows:

Name of Director	Designation	Date of Appointment	Date of Re-appointment	Date of Cessation
Mr. Vinay K Uchil	Chairman & Executive Director	04-12-2007	01-08-2021	-
Mr. Venkatesh K Uchil	Executive Managing Director	04-12-2007	01-08-2021	-
Dr. Tanuja Pudhierkar	Non-Executive Non Independent Director	01-08-2018	-	-
Mr. Shailendra Shukla	Non-Executive Non Independent Director	07-12-2018	-	-
Mr. Madan Pendse	Non-Executive Independent Director	11-07-2018	-	-
Mr. Nikunj Mishra	Non-Executive Independent Director	11-07-2018	-	-
Mr. Vikas Jaywant	Non-Executive Independent Director	24-02-2020	-	-
Mr. Mohan Rao	Non-Executive Independent Director	30-05-2020	-	-
Ms. Archana Venkata Rajagopalan	Non-Executive Independent Director	23-02-2021	-	-

b) Details of the Directorships and Committee Chairmanship/membership held by the Directors in other public companies as on 31st March, 2022 are as under:

Name of Director	Number of Equity Shares held	No. of Directorships in other Public Limited Companies	No. of Board Committees of other companies in which Member/Chairperson		No. of Board Committees of the Company (MEIL) in which Member/Chairperson (3)		Name of the other Listed Entity(ies) in which the Director hold Directorship
			1&2		Member	Chairperson	
Mr. Vinay K Uchil	9000	2	0	0	3	2	0
Mr. Venkatesh K Uchil	26772375	2	0	0	1	0	0
Dr. Tanuja Pudhierkar	1000	0	0	0	1	0	0
Mr. Nikunj Mishra	-	0	0	0	2	1	0
Mr. Shailendra Shukla	-	0	0	0	1	0	0
Mr. Madan Pendse	-	5	0	0	2	2	0
Mr. Vikas Jaywant	-	0	0	0	2	0	0
Mr. Mohan Rao	-	0	0	0	2	0	0
Ms. Archana Venkata Rajagopalan*	-	0	0	0	1	0	0

Notes:

1. Directorship(s) and membership(s)/ Chairmanship(s) in the Committees of the Board of Directors exclude Marine Electricals (India) Limited, foreign Companies, Companies formed under Section 25 of the Companies Act, 1956 and Section 8 of the Companies Act, 2013.
2. Chairmanship/ Membership of Committee include the Audit Committee /Nomination & Remuneration Committee/Corporate Social Responsibility (CSR) Committee/Stakeholders' Relationship Committee in other Indian Public Companies (Listed and Unlisted & excludes Marine Electricals (India) Limited).
3. Chairmanship/ Membership of Committee include the Audit Committee /Nomination & Remuneration Committee/Corporate Social Responsibility (CSR) Committee/Stakeholders' Relationship Committee in Marine Electricals (India) Limited.
4. None of the Directors hold Directorship in more the Seven(7) Listed Entities as per Regulation 17A of the Listing Regulations.
5. No Director holds membership(s) of more than Ten (10) Committees of any Board, nor, is a Chairperson of more than Five (5) Committees of any Board across all listed companies with which he/ she is associated as a Director.
6. The particulars of Director seeking re-appointment at the forthcoming AGM are provided in the Notice to the Annual General meeting. The brief profile of the Directors is also placed on the website of the Company.
7. The tenure of the Independent Directors is in compliance with the Companies Act, 2013. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under SEBI Listing Regulations (LODR) and Section 149 of the Companies Act, 2013. In the opinion of the board, the independent directors fulfill the conditions specified in SEBI Listing Regulations and Independent Directors are independent of the management.
8. None of the Directors have any inter-se relation among themselves except Mr. Vinay Uchil, Mr. Venkatesh Uchil and Dr. Tanuja Pudhierkar

c) Board Meetings

During the financial year 2021-22, 5 (Five) Board meetings were held on 7th June, 2021, 12th August, 2021, 22nd October, 2021, 11th November, 2021 and 10th February, 2022 and the particulars of attendance of the Directors are as under:

Name of Director	Attendance at AGM held on 28/09/2021	No. of Board meeting held during tenure	No. of meeting attended
Mr. Vinay K Uchil	Yes	5	5
Mr. Venkatesh K Uchil	Yes	5	5
Dr. Tanuja Pudhierkar	Yes	5	5
Mr. Shailendra Shukla	Yes	5	5
Mr. Madan Pendse	Yes	5	5
Mr. Nikunj Mishra	Yes	5	5
Mr. Vikas Jaywant	Yes	5	5
Mr. Mohan Rao	Yes	5	5
Ms. Archana Venkata Rajagopalan	Yes	5	5

d) Independent Directors:

The appointment of Independent Directors is carried out in a structured manner in accordance with the provisions of the Act and the SEBI Listing Regulations. The Nomination & Remuneration Committee of the Board identifies candidates based on certain laid down criteria and takes into consideration the need for diversity of the Board and accordingly makes its recommendations to the Board.

Independent Directors play a significant role in the governance processes of the Board. By virtue of their varied experience & expertise, they enrich the Board's decision-making and prevent possible conflicts of interest that may emerge in such decision-making.

e) Meeting of Independent Directors:

Schedule IV of the Companies Act, 2013 and the Rules thereunder mandate that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of the Management. During the year under review, separate meeting of the Independent Directors was held on 10th February, 2022 to review the performance of Non-Independent Directors, Chairman and the Board as whole. The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company at: <https://www.marineelectricals.com/images/policies/Terms-and-Conditions-of-Appointment-of-Directors.pdf>

f) Details of the Familiarization Programme for Independent Directors:

The Independent Directors are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The details of familiarisation programme conducted for Independent Directors during FY 2021-22 is available on the website of the Company at: <https://www.marineelectricals.com/images/disclosure-reports/Familiarization-Programme.pdf>

g) Board Skill/ Expertise/ Competence

The Board skills matrix provides a guide as to the skills, knowledge, experience, personal attributes and other criteria appropriate for the Board of the Company. The template is designed to capture the skills of the current Board, assist in the recruitment of future directors if necessary and provide guidance for the Board in its succession planning.

The Board is a skill - based Board comprising directors who collectively have the skills, knowledge and experience to effectively govern and direct the Company. The Board has identified the skills and attributes required by Company directors which can be broadly categorised as follows:

Skill area	Description	Importance of Skill (essential, desirable, able to rely on external advice)
Knowledge of the Company's business and the Industry in which the Company operates	Ability to identify key issues and opportunities for the Company within the Electrical & Electronic , Marine industry and develop appropriate policies to define the parameters within which the organisation should operate.	Essential
Strategy	Ability to think strategically, identify and critically assess strategic opportunities, threats and develop effective strategies for the Company.	Essential
Financial Skills	Qualifications and experience in accounting or finance and the ability to: -analyse key financial statements; -critically assess financial viability and performance; - contribute to strategic financial planning; -oversee budgets and the efficient use of resources; and - oversee funding arrangements and accountability.	Desirable
Board Service and Governance	Service on other public company boards, to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.	Desirable
Leadership & Management Skills	Extended entrepreneurial / leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth.	Essential

The following is a list of core skills/expertise/competencies mapped with every Director of the Company identified by the Board of Directors of the Company as required in the context of the Company's business (es) and sector(s) for the Company to function effectively and those available with the Board :

Core Skill/ expertise / competencies	Mr. Vinay Uchil	Mr. Venkatesh Uchil	Mr. Madan Pendse	Mr. Vikas Jaywant	Mr. Mohan Rao	Ms. Archana Rajagopalan	Mr. Nikunj Mishra	Mr. Shailendra Shukla	Dr. Tanuja Pudierkar
Knowledge of the Company's business and the Industry in which the Company operates	✓	✓	✓	✓	✓	✓	✓	✓	✓
Strategy	✓	✓	-	✓	-	-	✓	✓	-
Financial Skills	✓	✓	✓	✓	-	✓	-	✓	-
Board Service and Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓
Leadership & Management Skills	✓	✓	✓	✓	-	-	✓	✓	-

III. Committees of the Board

The Board has formed various Committees as required under Companies Act, 2013 and SEBI Listing Regulations (LODR). The Board reviews and amend the policies/terms of reference of the Committee as and when needed.

There are a total 6 (six) Board Committees as on 31st March 2022 and that have been constituted considering the best practices in Corporate Governance and in the best interest of the Company. These Committees review, discuss and monitor the activities falling within their terms of reference, the details of which are provided below:

i. Audit Committee

The Audit Committee is constituted as per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations (LODR) read with Part C of Schedule II and amendments thereto. Members of the Audit Committee possess financial/accounting expertise. The Audit Committee invites executives, as it considers appropriate, representatives of Statutory Auditors and Internal Auditors to present at its meetings. The Company Secretary acts as the secretary to the Audit Committee.

Composition:

Mr. Madan Pendse (Non-Executive Independent Director) - Chairman

Mr. Vikas Jaywant (Non-Executive Independent Director) - Member

Mr. Venkatesh Uchil (Executive Director) - Member

Meetings & Attendance:

During the year under review, the Committee met 5 (Five) times on 7th June, 2021, 12th August, 2021, 22nd October, 2021, 11th November, 2021 and 10th February, 2022 and not more than one hundred and twenty days lapsed between two consecutive meetings of the Audit Committee.

Names of the Committee Members along with their attendance during the financial year are given below:

Name of Members	No. of Committee meetings held during tenure	No. of Committee meeting attended
Mr. Madan Pendse Non-Executive Independent Director	5	5
Mr. Vikas Jaywant Non-Executive Independent Director	5	5
Mr. Venkatesh K Uchil Executive Director	5	5

Powers of Audit Committee

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

Role of Audit committee, inter alia, includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment, remuneration and terms of appointment of auditors of the Company;
- Approving payment for any other services rendered by the Statutory Auditors;
- Reviewing, with the management, the Annual Financial Statements and Auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Modified opinion(s) in the draft Audit report;
- Reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of Internal Financial Controls and Risk Management Systems;
- Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with Internal Auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board;

- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 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;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments.

Review of Information by Audit Committee:

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- Review the statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ii) Nomination & Remuneration Committee

The Nomination and Remuneration Committee of the Company is constituted under Section 178 of the Companies Act, 2013 and pursuant to the provisions of Regulation 19 of SEBI Listing Regulations (LODR). The Committee has formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees. The Committee has developed the criteria for appointment of Independent Directors, Non-Executive Directors and Executive Directors in compliance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 read with Part D of Schedule II and amendments thereto.

Composition:

Mr. Nikunj Mishra (Non-Executive Independent Director)	- Chairman
Mr. Vinay Uchil (Executive Director)	- Member
Mr. Mohan Rao (Non-Executive Independent Director)	- Member

Meetings & Attendance:

During the year under review, the Committee One (1) time viz; 7th June, 2021

Names of the Committee Members along with their attendance during the financial year are given below:

Name of Members	No. of Committee meetings held during tenure	No. of Committee meeting attended
Mr. Nikunj Mishra (Non-Executive Independent Director)	1	1
Mr. Shailendra Shukla (Non-Executive Non-Independent Director)*	1	1
Mr. Vinay Uchil (Executive Director)	1	1
Mr. Mohan Rao (Non-Executive Independent Director)	1	1

* The Nomination and Remuneration Committee was reconstituted on 24th December, 2021 through circular resolution & Mr. Shailendra Shukla cease to be a member of the Committee w.e.f 24th December, 2021. The NRC committee consists of Mr. Nikunj Mishra, Mr. Vinay Uchil and Mr. Mohan Rao.

Terms of Reference:

- To identify persons who are qualified to become Directors and who may be appointed in Senior Management Level in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and to recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of performance of Independent Directors and the Board.
- To devise a policy on Board diversity.
- To deal with the matters relating to the remuneration payable to Whole Time Directors, Key Managerial Personnel and Senior Management Executives and commission, if any, to be paid to Non-Executive Directors, apart from sitting fees.
- To review the overall compensation policy, service agreement and other employment conditions of Whole Time Directors, Key Managerial Personnel and Senior Management Executives.
- To evaluate whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- To deal with other matters as the Board may refer to the Nomination and Remuneration Committee ("the Committee") from time to time.
- To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

Nomination & Remuneration Policy:

The Company recognizes the competitive nature of the current labour market conditions and this requires the Company to provide competitive remuneration offering to Directors and employees to ensure that a high caliber of staff is attracted to the Company and retained once they have gained experience. The Company further acknowledges that it can only excel in service delivery through the exceptional performance of its people and that the remuneration offering to the Directors and employees plays a substantial motivational role when exceptional performance is compensated with exceptional rewards.

The Remuneration of Directors, Key Managerial Personnel and Senior Executives and Employees of the Company are decided based on predetermined criteria and as per the recommendation of the Committee. The Company will pay remuneration to Directors, Key Managerial Personnel and Senior Executives and Employees by way of fixed component i.e. salary, retirement benefits perquisites, allowances and by way of

the Committee and approval of the Board of Directors and shareholders, if applicable and shall be governed by the provisions of the Companies Act, 2013, rules framed thereunder and the notifications issued by the Ministry of Corporate Affairs from time to time.

The Nomination and Remuneration policy is also available on the web site of the Company at:

<https://www.marineelectricals.com/images/policies/Nomination-n-Remuneration.pdf>

Criteria for appointment and performance evaluation - related remuneration for Directors/Key Managerial Personnel and Senior Executives of the Company.

- At the time of selection of a Director the Company must examine the integrity of the person and possession of relevant expertise, qualifications and experience.
- In case of appointment of Independent Director, the Company must observe the pecuniary relationship with the promoters and group companies.
- The level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate Directors/executives to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Financial and operating performance vis-à-vis the Annual and Operating Budget of the Company.
- Remuneration of 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.
- External Competitiveness: The quantum and nature of the total offering to Directors and employees determines how competitive the Company is in recruiting and retaining them. The appropriate mix of guaranteed benefits and incentives further enhances the Company's ability to motivate them in a manner that will improve the Company's competitiveness.
- The size and complexity of a position is determined through a valid job evaluation system and individual performance is measured through the established and approved Performance Management System.
- Remuneration recognizes and rewards both high levels of competence and superior performance through the use of incentive bonuses linked to performance.
- The Nomination and Remuneration Committee shall consider whether the Directors are eligible for annual bonuses. If so, performance conditions should be relevant, stretching and designed to promote the long term success of the Company. Upper limits should be set and disclosed.
- The said Committee shall consider whether the Directors are eligible for benefits under long-term incentive schemes. Any new long-term incentive schemes which are proposed should be approved by shareholders.
- Remuneration incentives should be compatible with risk policies and systems, if any.
- The above committee shall consider the consequences and associates costs to the Company if basic salary increases and any other changes, whenever required.

Performance Evaluation Criteria for Independent Directors : The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. The Committee has formulated criteria and questionnaires to evaluate the performance of Board, its Committees and Individual Directors including the Independent Directors. The performance evaluation criteria are determined by the Committee taking into consideration the composition of the Board, role of the Directors and Committees etc. An indicative list of factors that may be evaluated include level of engagement and contribution by a director, independence of judgment, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality.

Based on the feedback received on the questionnaires, the performance of every Director was evaluated. Independent Directors at their separate meeting carried out evaluation on the performance of Non Independent Directors and Board as a whole. Chairman's evaluation was carried out by entire Board of Directors including the Independent Directors.

Remuneration to Directors

Details of Remuneration, Sitting fees, Commission and professional fee paid to Directors during the financial year 2021-22 are given below:

Sr. No.	Name of Director	Sitting Fees (Rs. in Lakhs)	Annual Remuneration/ Commission* (Rs. in Lakhs)	Professional fees (Rs. in Lakhs)	Employee Stock Option Scheme (ESOP)
	Executive Director				
1	Mr. Vinay K Uchil	-	56	-	-
2	Mr. Venkatesh K Uchil	-	56	-	-
	Non-Executive Director				
3	Mr. Madan Pendse	1.35	-	-	-
4	Mr. Nikunj Mishra	0.95	-	-	-
5	Mr. Vikas Jaywant	1.35	-	-	-
6	Mr. Mohan Rao	0.95	-	-	-
7	Ms. Archana Venkata Rajagopalan	0.95	-	-	-

Notes:

Pecuniary relationship or transactions with Non-Executive Directors:

Dr. Tanuja Pudhierkar, Non Executive Non Independent Director of the Company is related to Mr, Vinay Uchil and Mr. Venkatesh Uchil. However, there were no pecuniary relationship or transaction with Non Executive Director during FY 2021-22.

Guaranteed Portion of Remuneration:

Executive Directors and employees are receiving guaranteed portion of their total package on a monthly basis. The total package includes in it guaranteed benefits such as employer's contribution to retirement funds i.e. provident fund and/or pension & gratuity and/or medical aid funds and/or group life insurance fund contribution etc. as applicable.

Variable Portion of Remuneration:

Incentive bonus to reward employees for exceptional performance above the accepted standard and is variable. These rewards are based on individual, departmental or Company' performance relative to predefined targets. Performance is measured over a 12 months period. Vehicle allowance and telephone expenses are flexible remuneration options available to the employees.

Remuneration of Executive Directors:

For deciding remuneration of the Executive Directors, the Committee considers the performance of the Company, the current trends in the industry, their experience, past performance and other relevant factors. The Committee regularly keep track of the market funds in terms of compensation levels and practices in relevant industries.

The Company may pay remuneration by way of salary, remuneration and/or commission (variable components) to its Executive Directors. Annual increments may be decided by the Committee within salary scale approved by the members.

Remuneration of Non-Executive Directors:

The Non-Executive Directors are paid remuneration by way of sitting fees. The Company pays a sitting fee per meeting of the Board and the Committee (as may be decided from time to time) to the Non-Executive Directors for attending the meetings within the limit prescribed under the Act.

An Independent Director may receive remuneration by way fees provided under sub-section (5) of Section 197 of the Act, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members of the Company. The terms & conditions of appointment of Independent Directors are also available on the website of the Company at:

<https://www.marineelectricals.com/images/policies/Criteria-for-making-payment-to-Non-Executive-Directors.pdf>

iii) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted pursuant to Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations (LODR).

Composition:

Mr. Madan Pendse (Non-Executive Independent Director)	- Chairman
Mr. Mohan Rao (Non-Executive Independent Director)	- Member
Mr. Shailendra Shukla (Non-Executive Non-Independent Director)	- Member

Meetings & Attendance:

During the year under review, the Committee met 1 (One) time viz 7th June, 2021.

Name of the Committee Members along with their attendance during the financial year 2021-22 are given below:

Name of Members	No. of Committee meetings held during tenure	No. of Committee meeting attended
Mr. Madan Pendse (Non-Executive Independent Director)	1	1
Mr. Mohan Rao (Non-Executive Independent Director)	1	1
Mr. Shailendra Shukla (Non-Executive Non-Independent Director)	1	1

Designation & address of Compliance Officer

Ms. Mitali Ambre, Company Secretary of the Company, located at B/1, Udyog Sadan No.3, MIDC, Andheri (E), Mumbai - 400093 has been designated as Compliance Officer (E-mail ID: cs@marineelectricals.com) for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges.

The "SCORES" website of SEBI for redressing of Grievances of the Investors is being visited at regular intervals by the Company Secretary and there are no pending complaints registered with SCORES for the financial year ended on 31st March, 2022.

Terms of Reference:

- The Committee looks into the various aspect of interest of investors such as transfer of shares, non-receipt of declared dividend/notices/ annual reports, etc.
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividend, issue of new/duplicate certificates, general meeting etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & share Transfer Agent.
- Review of the various measures and initiative taken by the listed entity for reducing the quantum of unclaimed dividend and ensuring timely receipt of dividend warrant/annual report/statutory notices by the shareholders of the Company.

Details of Investor Complaints:

Number of Complaints from 01.04.2021 to 31.03.2022			
Complaints as on 01.04.2021	Received during the FY	Redressed during the FY	Pending as on 31.03.2022
Nil	0	0	Nil

iv) Corporate Social Responsibility (CSR) Committee

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The Company has developed a CSR Policy which is available on the website of the Company at <https://www.marineelectricals.com/images/policies/Corporate-Social-Responsibility-Policy-CSR.pdf>

Composition:

Mr. Vinay Uchil (Chairman and Executive Director)	- Chairman
Dr. Tanuja Pudhierkar (Non-Executive Non-Independent Director)	- Member
Mr. Vikas Jaywant (Non-Executive Independent Director)	- Member
Mr. Nikunj Mishra (Non-Executive Independent Director)	- Member

Meetings & Attendance:

During the year under review, the Committee met 1 (One) time viz; 7th June, 2021.

Name of the Committee Members along with their attendance during the financial year 2021-22 are given below:

Name of Members	No. of Committee meetings held during tenure	No. of Committee meeting attended
Mr. Vinay Uchil (Chairman and Executive Director)	1	1
Dr. Tanuja Pudhierkar (Non-Executive Non-Independent Director)	1	1
Mr. Vikas Jaywant (Non-Executive Independent Director)	1	1
Mr. Nikunj Mishra (Non-Executive Independent Director)	1	1

Terms of Reference:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;
- To recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- To monitor the Corporate Social Responsibility Policy of the company from time to time.
- To formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
 - (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
 - (ii) the manner of execution of such projects or programmes as specified in subrule (1) of rule 4 of the Companies (CSR) Rules, 2014;
 - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- Monitoring and reporting mechanism for the projects or programmes; and details of need and impact assessment, if any, for the projects undertaken by the company.
- The Board of every company shall –(a) After taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the CSR Policy for the company and disclose contents of such Policy in its report and also place it on the company’s website, if any.(b) Ensure that the activities as are included in the CSR Policy of the company are undertaken by the company.The Board shall ensure that the CSR activities are undertaken by the company itself or through eligible entities.

v) Risk Management Committee

Pursuant to the SEBI (LODR) (2ND Amendment) Regulations, 2021, Regulation 21 and Part D of Schedule II. of the SEBI (LODR) Regulations, 2015, the Company has constituted Risk Management Committee.

The Committee shall comprise of Board members to identify various risks that the Company is exposing to and frame, implement and monitor the risk management plan for the Company.

The objective of the Risk Management policy is to ensure that the Board, its Audit Committee and its executive management should collectively identify the risks impacting the Company’s business and document their process of risk identification, risk minimization, risk optimization as a part of a risk management policy or strategy.

The Risk Management Policy of the Company is available on

<https://www.marineelectricals.com/images/policies/Risk-Management-Policy-under-New-Companies-Act-GIL.pdf>

Composition:

Mr. Vinay Uchil (Chairman and Executive Director)	- Chairman
Ms. Archana Venkata Rajagopalan (Non-Executive Independent Director)	- Member
Ms. Namita Sethia (Chief Financial Officer)	- Member

Meetings & Attendance:

During the year under review, the Committee met 2(Two) times viz; 12th August, 2021 & 1st Feb, 2022.

Name of the Committee Members along with their attendance during the financial year 2021-22 are given below:

Name of Members	No. of Committee meetings held during tenure	No. of Committee meeting attended
Mr. Vinay Uchil (Chairman and Executive Director)	2	2
Ms. Archana Venkata Rajagopalan (Non-Executive Independent Director)	2	2
Mr. Namita Sethia (Chief Financial Officer)	2	2

*The Risk Management Committee was formed on 7th June, 2021

Terms of Reference:

- (1) To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

vi. Other Committees

Apart from the above statutory committees, the Board of Directors has constituted the following Committee to raise the level of governance and also to meet the specific business needs.

General Purpose Committee (GPC): The Board of Directors had formed General Purpose Committee by passing board resolution at its meeting held on 12th March, 2020 where by they delegated the power to carry out routine day to day operations matters including bidding for tenders, Opening and closure of Bank accounts, Approval for liaisoning with various Government departments, attending hearings, submitting affidavits on behalf of the Company, etc to GPC committee. Further the Board of Directors by passing Board resolution in its meeting held on 7th May, 2020 delegated the powers mentioned in clause (d) to (f) of Section 179(3) of the Companies Act, 2013 to the General purpose Committee within the overall limits approved by the shareholders for the said purpose.

Composition:

Mr. Vinay Uchil (Chairman and Executive Director) - Member

Mr. Venkatesh Uchil (Managing Director) - Member

Meetings & Attendance:

During the year under review, the Committee met 10 (Ten) times viz; 28th June, 2021, 3rd August, 2021, 13th August, 2021, 01st December, 2021, 10th December, 2021, 27th December, 2021, 01st February, 2022, 21st February, 2022, 11th March, 2022, 15th March 2022.

Name of the Committee Members along with their attendance during the financial year 2021-22 are given below:

Name of Members	No. of Committee meetings held during tenure	No. of Committee meeting attended
Mr. Vinay Uchil (Chairman and Executive Director)	10	10
Ms. Venkatesh Uchil (Managing Director)	10	10

Terms of Reference:

1. Bidding for tenders for any projects relating to business of the Company and finalizing the terms and conditions of the said tenders & executing any documents severally by either the Chairman or the Member of the Committee being Mr Vinay Uchil or Mr Venkatesh Uchil, respectively, as may be required to qualify, bid and get the contract awarded to the Company.
2. Opening and closure of Bank accounts of the Company, finalizing the terms and conditions of the same, and other such documents as may be required for executing severally by either the Chairman or the Member of the Committee being Mr Vinay Uchil or Mr Venkatesh Uchil, respectively.
3. Approval for affixing the Digital Signature of either the Chairman or the Managing Director on the bid documents or any other incidental document.
4. Approval for liaisoning with various Government departments, attending hearings, reply to show cause notice like GST, Income Tax, RBI, Stock Exchange, Ministry of Corporate Affairs (MCA) etc. and others with respect to various issues and issuing Letter of Authorisation to Employees of the Company for the same.
5. Routine Day today operations matters
6. The powers mentioned in clause (d) to (f) of Section 179(3) of the Companies Act, 2013 delegated to the General purpose Committee within the overall limits approved by the shareholders for the said purpose which include:
 - (d) to borrow monies;
 - (e) to invest the funds of the company;
 - (f) to grant loans or give guarantee or provide security in respect of loans

IV. General Body Meetings

(i) Annual General Meetings (AGM):

Location, date and time of the Annual General Meeting held during the last 3 years.

Financial Year	Date	Time	Location	Special Resolutions Passed
14th AGM 2020-21	28th September 2021	11:30 am	Through Video conferencing	1. To Re-Appoint Mr. Vinay Uchil (DIN 01276871) as Chairman and Executive Director and fixation of remuneration. 2. To Re-Appoint Mr. Venkatesh Uchil (DIN: 01282671) as Managing Director and fixation of Remuneration.
13th AGM 2019-20	28th September 2020	11:30 am	Through Video conferencing	None
12th AGM 2018-19	16th September 2019	11:30 am	Physical - Venue B/1, Udyog Sadan No.3, Midc, Andheri (E), Mumbai Mh - 400093	1. Approval Of Loan, Investments, Guarantee or Security Under Section 185 of The Companies Act, 2013 2. To approve continuation of payment of remuneration to Executive Directors who are Promoters in excess of threshold limits as per SEBI (LODR) (Amendment) Regulations, 2018.

There were no special resolutions passed through Postal Ballot during FY 2021-22. Accordingly, details relating to postal ballot are not applicable.

All resolutions moved at the last years' AGM, were passed by means of electronic voting, by the requisite majority of members.

ii) Means Of Communication

The Company recognizes communication as a key element to the overall Corporate Governance framework, and therefore emphasizes on prompt, continuous, efficient and relevant communication to all external constituencies.

Financial Results: The Quarterly, Half Yearly and Annual Results are regularly submitted to the National Stock Exchange of India Limited (NSE) as well as uploaded on the Company's website and are published in newspapers, namely the Free Press Journal (English) & Navshakti (in marathi).

Additionally, the results and other important information are also periodically updated on the Company's website <https://www.marineelectricals.com/> in the "Investors" section.

Investors / Analyst Meets: The Company hosts calls or meetings with institutional investors on request. Post the quarterly /yearly results, an analyst meet / call is organized depending on the availability of the management which provides a platform for the Management to answer questions and provide clarifications to investors and analysts. The Company continues to interact with all types of funds and investors in order to have a diversified shareholder base both in terms of geographical location and investment horizon. Financial Results, Statutory Notices, Press Releases and Presentations made to the institutional investors/ analysts after the declaration of the quarterly, half-yearly and annual results are submitted to NSE as well as uploaded on the Company's website on a regular basis. The Company also issues press releases from time to time.

Website: The Company's website is a comprehensive reference on its leadership, management, vision, policies, corporate governance, sustainability and investor relations. The Members can access the details of the Board, the Committees, Policies, Board committee Charters, financial information, statutory filings, Shareholding information, details of unclaimed dividend and shares transferred / liable to be transferred to IEPF, frequently asked questions, etc. In addition, various downloadable forms required to be executed by the shareholders have also been provided on the website of the Company at <https://www.marineelectricals.com/>

Annual Report: The information regarding the performance of the Company is shared with the shareholders vide the Annual Report. The Annual Reports for FY 2021-22 are being sent in electronic mode, to all members who have registered their email ids for the purpose of receiving documents / communication in electronic mode with the Company and / or Depository Participants. The Annual Reports are also available in the "Investors" section on the Company's website <https://www.marineelectricals.com/annual-report.html>

Electronic Communication: The Company had during FY 2021-22 sent various communications including Annual Reports, by email to those shareholders whose email addresses were registered with the Company / Depositories. In support of the 'Green Initiative' the Company encourages Members to register their email address with their Depository Participant or the Company, to receive soft copies of the Annual Report, Notices and other information disseminated by the Company, on a real-time basis without any delay.

Scores: A centralised web based complaints redress system 'Scores' which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports by the concerned companies and online viewing by the investors of actions taken on complaint and its current status.

Green Initiative: All agenda papers for the Board and Committee Meetings are disseminated electronically on a real-time basis, by uploading them on a secured online application.

V) General Shareholder Information

1. 15th Annual General Meeting

Day & Date : Monday, 19th September , 2022

Time : 11:30 am

Venue : In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs and SEBI vide its relevant circulars, has permitted the holding of the Annual General Meeting through video-conferencing / other audio visual means ('VC / OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. For details please refer to the Notice of AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards 2 on General Meetings, details of Director seeking appointment / re-appointment at this AGM are given in the Annexure to the Notice of the forthcoming AGM.

2. Financial Calendar (Tentative)

The Company follows the financial year from 1st April to 31st March. The Financial Year was from April 01, 2021 to March 31, 2022.

Results for the Quarter ending (Tentative):

June 30, 2022	on or before 14th August, 2022
September 30, 2022	on or before 14th November, 2022
December 31, 2022	on or before 14th February, 2023
March 31, 2023	on or before 30 th May, 2023

Date of Book Closure: Tuesday, 13th September 2022 to Monday, 19th September 2022

3. Dividend:

No Dividend has been recommended for the financial year ended 31st March, 2022.

4. Unclaimed Dividends

As on 31st March, 2022, the company has Rs. 91,674.40/- amount as unpaid / unclaimed

5. Listing of Equity Shares on the Stock Exchange

National Stock Exchange of India Limited
Exchange Plaza, Bandra- Kurla Complex,
Bandra (East), Mumbai - 400 051

6. Listing Fees as applicable have been paid.

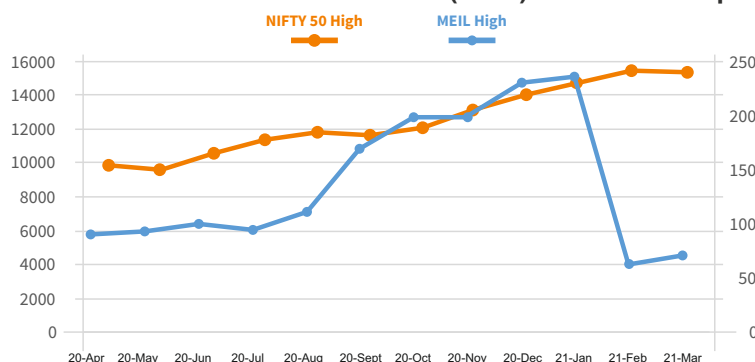
7. Stock code/Symbol

(a) Stock Exchange	Stock Code
National Stock Exchange of India Ltd.	MARINE
(b) Demat ISIN Number in NSDL & CDSL for Equity Shares	INE01JE01028

8. Stock Market Data:

Month	National Stock Exchange (NSE)		
	High (Rs.)	Low (Rs.)	Total number of shares traded
April-2021	75.95	54.25	6463869
May-2021	88.9	73.4	8420666
June-2021	90.7	59.95	32207852
July-2021	63.6	46.35	40568731
Aug -2021	55.1	36	31647762
Sep-2021	42.8	35	26211064
Oct-2021	38.4	29.15	24485742
Nov -2021	35.1	27.65	23597070
Dec-2021	45.7	24.65	74349496
Jan-2022	42.8	33.25	7665130
Feb -2022	40.3	28.9	3818289
Mar -2022	34.25	29.05	3660027

9. Performance of Marine Electricals (India) Limited share price



10. Registrar and Transfer Agents:

Shareholders correspondence should be addressed to the Registrar and Transfer Agents of the Company at the following Address:

Bigshare Services Pvt. Ltd.

Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400093

Website: www.bigshareonline.com

Tel No: 022-62638200/022-62638295

Email id: investor@bigshareonline.com

11. Share Transfer System:

In accordance with SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated 7th September 2020 all share transfers needs to be carried out in the dematerialised form with effect from 1st April 2021 compulsorily. Hence no transfer of shares in physical form is allowed.

Further, in compliance with SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022, the following requests received by the Company from the shareholders holding shares in physical form will be processed and the shares will be issued in dematerialization form only:

- i. Issue of duplicate share certificate
- ii. Claim from unclaimed suspense account
- iii. Renewal/Exchange of securities certificate
- iv. Endorsement
- v. Sub-division / splitting of securities certificate
- vi. Consolidation of securities certificates/folios
- vii. Transmission
- viii. Transposition

For this purpose, the securities holder/claimant shall submit a duly filled-up Form ISR-4 which is hosted on the website of the company as well as on the website of RTA.

Members holding shares in physical form are requested to dematerialize their holdings at the earliest.

Nomination facility for shareholding

SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021, has made it mandatory for all shareholders holding shares in physical form to furnish nomination details to the Company / RTA.

Shareholders can register their nomination details in Form SH-13 or they can choose to give declaration to opt out of Nomination by filing Form ISR-3.

In case the shareholder holding shares in physical form wishes to change the nominee or cancel the nomination then Form SH-14 needs to be filled.

The aforementioned forms are available on the website of the Company as well as the Registrar and Transfer Agent and which shall be furnished in hard copy form or through electronic mode with e-signature to the company / Registrar and Transfer Agent.

Permanent Account Number (PAN) and KYC details

SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021, has made it mandatory for all holders of physical securities to furnish the following documents / details to the Registrar and Transfer Agent:

- a) PAN
- b) Contact details, Postal address with PIN, Mobile number, E-mail address
- c) Bank account details (bank name and branch, bank account number, IFS code)
- d) Specimen signature

For furnishing the above mentioned details, shareholder shall send the hard copy of Form ISR-1 and/or ISR-2, available on the website of the company as well as on the website of Registrar and Transfer Agent

12. Distribution of Shareholding as on March 31, 2022

Range	No. of shareholders	% of total shareholders	No. of Shares held	% of Shareholding
1 to 500	57,109	83.6260	73,34,656	5.9794
501 to 1000	5,664	8.2939	45,06,208	3.6736
1001 to 2000	2,973	4.3534	44,64,470	3.6396
2001 to 3000	1,004	1.4702	25,39,832	2.0705
3001 to 4000	441	0.6458	15,85,662	1.2927
4001 to 5000	366	0.5359	17,36,793	1.4159

Range	No. of shareholders	% of total shareholders	No. of Shares held	% of Shareholding
5001 to 10000	460	0.6736	33,79,753	2.7553
10001 and above	274	0.4012	9,71,17,876	79.1731
Total	68,291		12,26,65,250	100

13. Shareholding Pattern as on March 31, 2022

Category	No. of shares held	% of shareholding
Promoter Holding		
Total promoter & promoter group holdings	9,01,89,250	73.53
Non Promoter Holding		
Institutions		
Foreign Portfolio Investor	-	-
Financial Institutions / Banks	-	-
Mutual Funds	-	-
Alternate Investment Funds		
Central/State Government		
Central Government	-	-
Non-Institutions		
Foreign Bodies Cooperates	-	-
Other Bodies Corporate	5,53,310	0.45
Public	3,04,43,224	24.82
Non Resident Indians	6,92,457	0.56
Clearing Member	2,57,765	0.21
HUF	5,29,244	0.43
Grand Total	12,26,65,250	100

14. Dematerialization of shares and liquidity

As of March 31, 2022, 122661250 shares representing 99.99% of the paid up equity capital of the Company have been dematerialized with the following depositories:

Description	ISIN No.	Depositories
Fully Paid	INE01JE01028	National Securities Depository Ltd.(NSDL) Trade World, A Wing, 4 th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400 013
		Central Depository Services (India) Ltd.(CDSL) Marathon Futurex, 25th Floor, NM Joshi Marg, Lower Parel (East), Mumbai- 400 013

The equity shares of the Company are regularly traded on NSE.

15. Outstanding GDRs/ADRs/Warrants or any convertible Instruments

As on date the Company has not issued these types of securities

16. Commodity price risk or foreign exchange risk and hedging activities

The Company does not deal in commodities and hence the disclosure pursuant to SEBI (LODR) Regulations are not applicable.

For a detailed discussion on foreign exchange risk and hedging activities with regard to Company's revenue in foreign currency, please refer to the Annexure E of the Annual Report.

17. Reconciliation of Share Capital Audit Report

A qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit confirms that the issued/paid up capital is in agreement with the total number of dematerialized shares held with NSDL and CDSL.

18. Registered Office & Plant Location

B/1, Udyog Sadan No.3, MIDC, Andheri (E), Mumbai - 400093

Goa Plant

Plot No. 17,18, N-51, N-52,N-54, N-55,N-56,N-57,N-59,N-60 Verna Industrial Estate, Goa

19. Address for correspondence

Shareholders should address correspondence to the Company's Registrars and Transfer Agents at the address mentioned below. Shareholders could also contact the Registered Office of the Company at the address mentioned below.

Registrar & Transfer Agents:

Bigshare Services Pvt. Ltd.

Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400093

Website: www.bigshareonline.com

Tel No: 022-62638200/022-62638295

Email id: investor@bigshareonline.com

Registered Office:

Marine Electricals (India) Limited
Address: B/1, Udyog Sadan No.3,
MIDC, Andheri (E), Mumbai - 400093
Tel No: 02240334300

Email: cs@marineelectricals.com

Web: www.marineelectricals.com

20. Credit Rating

During the year under review the Company has obtain credit rating on 24th January, 2022.

Sr. No	Total Bank Loan Facilities	Rating
1	Long-term: Fund-based Cash Credit	[ICRA]BBB(Stable); Upgraded from [ICRA]BBB- (Stable)
2	Short-term: Fund-based EPC/EBD/PCFC (Sublimit of Cash Credit)	[ICRA]A3+; Upgraded from [ICRA]A3
3	Short-term: Non-fund based Bank Guarantee (Sublimit of Cash Credit)	[ICRA]A3+; Upgraded from [ICRA]A3
4	Long-term: Fund-based Term Loans	[ICRA]BBB(Stable); Upgraded from [ICRA]BBB-(Stable)
5	Short-term: Non-fund based Bank Guarantee	[ICRA]A3+; Upgraded from [ICRA]A3

Sr. No	Total Bank Loan Facilities	Rating
6	Short-term: Non-fund based Letter of Credit (Sublimit of Bank Guarantee)	[ICRA]A3+; Upgraded from [ICRA]A3
7	Short-term Unallocated	[ICRA]A3+; Upgraded from [ICRA]A3

VI. Other Disclosures

(i) Related Party Transactions

The Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in nature. All Related Party Transactions are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. Your Directors draw attention of the members to note no. 44 & 43 in the standalone and consolidated financial statements respectively sets out related party disclosures and they are not in conflict with the interest of the Company at large. The Company has adopted a policy for Related Party Transactions which is available on the Company's website at <https://www.marineelectricals.com/images/policies/Policy-on-Materiality-of-Related-Party-Transaction-and-Dealing-with-Related-Parties.pdf>

(ii) The Company has complied with the requisite regulations relating to capital markets. No Penalties/ strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital market during the last three years.

(iii) Vigil Mechanism/Whistle Blower Policy

The Company has adopted Whistle Blower Policy and has established the necessary vigil mechanism for Directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been also put on the website of the Company : <https://www.marineelectricals.com/images/policies/Vigil-Mechanism-Policy.pdf>

(iv) Details of Compliance with mandatory requirements and adoption of non- mandatory requirements

The Company has complied with the applicable mandatory requirements of the SEBI Listing Regulations (LODR). The Company has also adopted following non-mandatory requirements of SEBI Listing Regulations (LODR).

Adoption of Non- Mandatory Requirements

- i. As the quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
- ii. The Company's financial statement for the financial year 2021- 22 does not contain any audit qualification.
- iii. The Internal Auditors reports to the Audit Committee of the Company. They participate in the meetings of the Audit Committee of the Board of Directors of the Company and present their internal audit observations to the Audit Committee.

(v) Disclosure of Accounting Treatment

The Company has followed the treatment laid down in the Indian Accounting Standards (Ind AS) prescribed by the Institute of Chartered Accountants of India, in the preparation of financial statements. No deviation is made in following the same.

(vi) Code of Conduct

The Code of Conduct has been put on the Company's website. The members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended March 31, 2022. The Report contains declaration to this effect signed by Mr. Venkatesh Uchil Managing Director of the Company.

(vii) Subsidiary Companies

The Company is having total 4 (Four) subsidiaries including step down subsidiaries. The policy for determining Material Subsidiaries of the Company is available on the website of the Company i.e. <https://www.marineelectricals.com/images/policies/Policy-on-Material-Subsidiaries.pdf>. The Company does not have any associate company & joint venture. All requirements with regard to subsidiary company have been complied with.

(viii) Material Subsidiary policy

The Company has framed policy for determining "Material subsidiaries" to ensure that Board of Directors has overall supervision of functioning of subsidiaries of the Company and to provide the governance framework for such subsidiaries, pursuant to SEBI Listing Regulations and amendments thereto. The policy is available on the website of the Company at <https://www.marineelectricals.com/images/policies/Policy-on-Material-Subsidiaries.pdf>

(ix) Certificate from practicing Company Secretary's

Certificate from practicing Company Secretary's under Regulation 34(3) of SEBI Listing Regulations JNG & Co. Practicing Company Secretaries, Mumbai have verified the compliance of the Corporate Governance norms by the Company. Certificate issued by them in this regard is annexed hereto. The Company has also availed a certificate from them that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI/ Ministry of Corporate Affairs or any other Statutory Authority. The said Certificate is also annexed to the report.

(x) CEO/CFO Certificate: The Managing Director (MD) & Chief Financial Officer (CFO) have issued Certificate as specified under Regulation 17(8) of SEBI (LODR) 2015 for the financial year ended 31st March, 2022

(xi) Where the Board had not accepted recommendation(s) of any Committee

During the year under review, all the recommendations made by all the Committees, which are mandatorily required, have been duly accepted by the Board of Directors.

(xii) Details of total fees paid to Statutory Auditors

Details of total fees paid to the Statutory Auditor relating to all services availed by the Company and its subsidiaries, on consolidated basis, are given in Note 39 to the Standalone Financial Statements and Note 39 to the Consolidated Financial Statements.

(xiii) Prevention of Sexual Harassment at Workplace Policy :

The Company has devised a sound Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act 2013 with the proper composition of members.. The policy is available on the website of the Company at:

<https://www.marineelectricals.com/images/policies/Sexual-Harrassment-Policy.pdf>

Details of Complaints

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year
0	0	0

(xiv) Foreign Exchange Risk

The Company is having adequate risk assessment and minimization system in place. The Company has foreign exchange risk as it deals in foreign currencies by importing and exporting of goods

(xv) Dividend Distribution Policy

Pursuant to the SEBI (LODR) (2nd Amendment) Regulations, 2021, The Company has adopted Dividend Distribution Policy. The Policy is available at:

<https://www.marineelectricals.com/images/policies/Dividend-Distribution-Policy.pdf>

VII. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed.:

Company has complied with all the provisions of the Act, Rules, Regulations, Guidelines, Standards during the financial year 2021-22. The National Stock Exchange of India Limited (NSE) had imposed a fine of Rs. 1,77,000/- (including GST of Rs. 27,000/-) vide Ref: NSE/LIST-SOP/COMB/FINES/0814 dated: 15th February, 2021 and Rs. 3,12,700/- (including GST of Rs. 47,700/-). vide Ref. NSE/LIST-SOP/COMB/FINES/0815 dated: 17th May, 2021 with respect to non-compliance with Regulation 17 (1) of SEBI (LODR) Regulations, 2015 for the period starting from 02nd December, 2020 to 31st December, 2020 and 01st January, 2021 to 22nd February, 2021 respectively. In response to the notices, the company had appointed Mrs. Archana Rajagopalan (DIN: 09077128) as Non-Executive Independent Woman Director and made a total payment of Rs. 4,89,700/- (including GST of Rs. 74700) to the NSE as per the said notices.

VIII. DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 OF LODR

The status of compliance with discretionary recommendations of Regulation 27 of the LODR with the Stock Exchange is provided below:

a) Shareholders Rights :

The quarterly / half yearly results are not sent to the shareholders. However, the same are published in the newspapers and are also posted on the Company's website.

b) The Board of Directors :

The present Chairman is an Executive Director. All Independent Directors significantly contribute to the deliberations of the Board and provide valuable inputs in directing the operation of the Company. The Board carefully evaluates the qualifications and experience of every Independent Director at the time of the appointment, and also involves the Independent Directors in various Business Committees, to enable them to contribute to the Company.

c) Audit qualifications :

During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices, and has ensured a track record of unqualified financial statements.

d) Reporting of Internal Auditor :

The Internal Auditor reports directly to the Audit Committee.

e) Code for Prohibition of Insider Trading :

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has adopted a "Code of Conduct for Prevention of Insider Trading". The said Code of Conduct has been revised in accordance with the amended Securities and Exchange Board of India (Insider Trading) Regulations, 2015. The Company Secretary is the "Compliance Officer". The Code of Conduct is applicable to all Directors and designated persons as defined in the Code of Conduct. The status of compliance with discretionary recommendations of Regulation 27 of the LODR with the Stock Exchange is provided below:

IX. Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account

The Company does not have any unclaimed shares and hence the disclosure pursuant to SEBI (LODR) Regulations are not applicable.

On behalf of the board of directors

Sd/-

Mr. Vinay K. Uchil

Chairman and Executive Director

DIN: 01276871

Sd/-

Mr. Venkatesh K. Uchil

Managing Director

DIN: 01282671

Date: 22nd August, 2022

Place: Mumbai

ANNEXURE TO CORPORATE GOVERNANCE REPORT

To
The Shareholders,
Affirmation of Compliance with Code of Conduct

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that the Board of Directors of the Company has received affirmation on compliance with the Code of Conduct from all the Directors and the Senior Management Personnel of the Company, as applicable to them, for the financial year ended 31st March, 2022.

For Marine Electricals (India) Limited

Sd/-
Venkatesh Uchil
Managing Director
DIN:- 01282671

Date: 22nd August, 2022
Place: Mumbai

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members of

Marine Electricals (India) Limited

I have examined the compliance of conditions of corporate governance by Marine Electricals (India) Limited (“the Company”), for the year ended 31st March, 2022, as specified for the listed companies under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”).

The Company’s management also takes full responsibility of the Compliance of the conditions of Corporate Governance stipulated in the Regulations.

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

In my opinion, and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

For JNG & Co.,
Jigarkumar Gandhi
FCS: 7569
C.P. No.: 8108
Peer Review No: 1972/2022
UDIN: F007569D00826266

Date : 22nd August, 2022

Place: Mumbai

BUSINESS RESPONSIBILITY REPORT

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

Marine Electricals (India) Limited (“Company”) believes that responsible business conduct is based on the principle of business being accountable towards its stakeholders in its drive for sustainable development in the arena of environmental protection, workplace safety, social responsibility and governance. With this intent, Company has adopted Quality, Environment, Occupational, Health and Safety Policy and Sustainability policy, in accordance with the Global Standards and Reporting Initiative’s framework, with the object to incorporate ethical, environmental and social considerations into business activities thereby mitigating material risks, exploring areas of opportunity and improving overall performance. More details are included in Management Discussion & Analysis (MDA) Report forming part of Annual Report.

Company’s Business Responsibility Report 2021-22 follows the National Guidelines on Responsible Business Conduct (NGRBC) as formulated by Ministry of Corporate Affairs (MCA) and includes Company’s responses to questions on our practices and performance on key principles defined by Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (“Listing Regulations”), covering topics across environment, governance, social responsibility and stakeholder relationships. This Business Responsibility Report is a testament to our accountability towards creating enduring value for all stakeholders in a responsible manner. In line with Listing Regulations and MCA NGRBC, the report summarizes our efforts to conduct business with responsibility.

SECTION A: GENERAL INFORMATION OF THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L31907MH2007PLC176443
2	Name of the Company	Marine Electricals (India) Limited
3	Registered Address	B/1, Udyog Sadan No. 3, MIDC, Andheri (East), Mumbai - 400093
4	Website	www.marineelectricals.com
5	E-mail id	cs@marineelectricals.com
6	Financial year reported	1st April, 2021 to 31 st March, 2022
7	Sector(s) that the Company is engaged in (industrial activity code-wise) As per National Industrial Classification Ministry of Statistics and Programme Implementation	Manufacture of control panels - 2710
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	LT Panels MV Panels Service - Automation
9	Total number of locations where business activity is undertaken by the Company	
	a) Number of International Locations (Provide details of major 5)	UAE, Italy, Sri Lanka, Ghana, Bangladesh, Singapore
	b) Number of National Locations	The Company has its manufacturing Unit and corporate office located at Andheri (East), Mumbai, Maharashtra. It has service centre offices at Goa, Pune, Vishakhapatnam, Delhi, Kochi, Paradeep, Kolkata, Chennai, Port Blair.
10	Markets served by the Company Local/State/National/ International	Company serves customers in both national and international locations

BUSINESS RESPONSIBILITY REPORT

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital	245330500
2	Total Turnover	Standalone - 32,288.56 Lakhs Consolidated - 37,632 Lakhs
3	Total profit after taxes (INR)	Standalone - 1,246.64 Lakhs Consolidated - 1,327.82 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the year, an amount of Rs. 15.85/- lakhs was spent on CSR activities. This represents more 2.15% of average net profit for three financial year immediately preceding the financial year 2021-22.
5	List of activities in which expenditure in 4 above has been incurred	Promoting Health & Medical Care & Covid-19 relief activities, Promotion of Education and Contribution for Social Cause. Please refer to Annexure F of the Board's Report in Integrated Annual Report 2021-22 and the Company's Annual CSR Report 2021-22 for detailed community engagement strategy and key initiatives at https://www.marineelectricals.com/images/csr-activities.pdf

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company /Companies?	Yes, the Company has 4 subsidiaries which includes 2 Indian Subsidiaries and 2 Foreign subsidiaries as mentioned below; A. Indian Subsidiaries: 1. Eltech Engineers Madras Pvt Ltd 2. Evigo Charging Consultants Pvt Ltd B. Foreign Subsidiaries: 1. MEL Powers FZC 2. STI SRL (step-down Subsidiary)
2	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)	The Company encourages its subsidiaries to carry out Business Responsibility initiatives. The subsidiary companies share several features of our best practices in workplace sustainability
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Less than 30%. The Company makes efforts to encourage other entities such as its suppliers, clients etc. to adhere to the Company's BR policies to the extent possible.

SECTION D : BR INFORMATION

1. Details of Director/Directors responsible for BR

a) **Details of the Director\Directors responsible for implementation of the BR policy/policies**

Mr. Vinay Uchil, Chairman & Executive Director and Mr. Venkatesh Uchil, Managing Director of the Company are being authorized to carry out the BR policy/policies.

DIN: 01276871

Name: Mr. Vinay Krishna Uchil

Designation: Chairman & Executive Director

DIN: 01282671

Name: Mr. Venkatesh Uchil

Designation: Managing Director

b) Details of the BR head:

DIN: 01276871

Name: Mr. Vinay Krishna Uchil

Designation: Chairman & Executive Director

Telephone Number: 02240334300

E-mail ID: info@marineelectricals.com

1. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

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

A) Details of Compliance (Reply in Y/N)

	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	The policies are broadly based on the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by the Ministry of Corporate Affairs, Government of India.								
4	Has the policy being approved by the Board? if yes, has it been signed by MD/owner/CEO/ appropriate Board Director	Yes								
5	Does the Company have a specified committee of the Board/Director/ Official to oversee the implantation of the policy?	Yes								
6	Indicate the link for the policy to be viewed online?	All the statutorily required policies are available in Public domain at www.marineelectricals.com								

BUSINESS RESPONSIBILITY REPORT

	Questions	
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been communicated to key internal stakeholders. The Communication is an ongoing process to cover all the key internal and external stakeholders
8	Does the Company have in-house structure to implement the policy/policies.	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Yes, The Whistle Blower Policy lays down guidelines for reporting of protected disclosures by employees, Directors & other stakeholders. An Investor grievance mechanism is in place to respond to investor grievances. The customer complaints mechanism records the grievances of customers on product and service quality and other issues of interest to them. The supplier, dealer and channel partner forums and ongoing communication captures their concerns and grievances. Stakeholder Relationship Committee review and address stakeholder's grievances.
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	No. However, working of the policies is monitored by the functional heads. The Company is working on developing and improving its system for evaluating the implementation of the policies.

B. If the answer to the question at serial number 1 against any principle, is 'No', please explain why : (Tick upto 2 options):

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

C) Governance related to BR:

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year	The Board reviews the performance annually
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company publishes BR report annually. It is available on the website of the Company at www.marineelectricals.com/ annual report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1	<p>Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No.</p> <p>Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?</p>	<p>Good Corporate Governance is critical for business success and to achieve this the Company has articulated business principles and adopted various policies which address ethics, transparency and accountability of employee and Director's.</p> <p>The Code of Conduct applies to the Directors and the Senior Management and all employees of the Company.</p> <p>Insider Trading Code is applicable to designated persons and their relatives of the Company</p> <p>Related Party Transaction Policy is framed intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties at arm's length.</p> <p>A Whistle Blower Policy/Vigil Mechanism is also in place, which provide opportunity to all stakeholders to report any concerns/ issues/incidents about unethical behaviour, actual or suspected fraud or violation of the Code and Policies.</p> <p>The Company' Subsidiary has its own policies which are also aligned with the policies of the Company</p> <p>The Policies of the Company are accessible at https://www.marineelectricals.com/</p>
2	<p>How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.</p>	<p>During the year the Company has not received any Complaints from the shareholders.</p>

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1)	<p>List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.</p>	<p>All products manufactured by the Company are safe and contribute to the sustainability throughout their lifecycle. To name a few of them are LT Panels, MV Panels & Panel Automation service.</p>
2)	<p>For each such product, provide the following details in respect of resource used (energy, water, raw material etc.) per unit of product (optional):</p>	<p>All the material used in the manufacture of panels are environment friendly. Also for the Painting process, we have an effluent treatment plant to ensure that the chemicals are not discharged into the environment, but the water is recycled and used back in the process.</p>
	<p>a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?</p>	<p>Not measureable at the company's end as the actual benefit can only be measured at customer's end in actual applications. However, selection of equipment indicates better efficiency of our products.</p>
	<p>b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p>	<p>Not measureable at Company's end.</p>

BUSINESS RESPONSIBILITY REPORT

3)	Does the Company have procedures in place for sustainable sourcing (including transportation)? a) If yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so.	Yes, procurement practices by the Company are focused on protection of environment, and cost effective procurement seeking resource efficiency, improving the quality of products and ultimately optimizing the cost.
3)	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company makes specific efforts to improve employability of the local community. Further, it also ensures that it engages small businesses around its plant in variety of productive employment. The Company's long term association with the small vendors/suppliers has helped such vendors to grow along with the Company
4)	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Yes, the Company has in place a mechanism for recycling products and waste. The waste generation of the Company is less than 5% and further 100% of the waste is being reused. The Company recycles its waste as below: i) Plastics waste is recycled ii) Empty raw material bags are reused for in-process packing, reprocessed and reused. iii) Water consumption is monitored iv) Water from the process and waste is recycled and used back into the process, toilets and garden.

Principle 3: Businesses should promote the well-being of all employees

1)	Please indicate the Total number of employees.	407																
2)	Please indicate the Total number of employees hired on temporary/ contractual/ casual basis	540																
3)	Please indicate the Number of permanent women employees.	78																
4)	Please indicate the Number of permanent employees with disabilities.	0																
5)	Do you have an employee association that is recognized by management.	No																
6)	What percentage of your permanent employees is members of this recognized employee association.	NA																
7)	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year	<p>During FY 2021-22, the Company has not received any complaints relating to child labour, forced labour, involuntary labour, sexual harassment.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Category</th> <th>No. of complaints filed during the financial year</th> <th>No. of complaints pending as on end of the financial year</th> </tr> </thead> <tbody> <tr> <td>i)</td> <td>Child labour / Forced labour/ Involuntary labour</td> <td>Nil</td> <td>NA</td> </tr> <tr> <td>ii)</td> <td>Sexual harassment</td> <td>Nil</td> <td>NA</td> </tr> <tr> <td>iii)</td> <td>Discriminatory employment</td> <td>Nil</td> <td>NA</td> </tr> </tbody> </table>	No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year	i)	Child labour / Forced labour/ Involuntary labour	Nil	NA	ii)	Sexual harassment	Nil	NA	iii)	Discriminatory employment	Nil	NA
No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year															
i)	Child labour / Forced labour/ Involuntary labour	Nil	NA															
ii)	Sexual harassment	Nil	NA															
iii)	Discriminatory employment	Nil	NA															

8)	<p>What percentage of your under mentioned employees were given safety & skill up gradation training in the last year?</p> <p>a) Permanent Employees b) Permanent Women Employees c) Casual / Temporary / Contractual Employees d) Employees with Disabilities</p>	<p>100% employees undergo the required safety trainings on an ongoing basis.</p>
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Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1)	<p>Has the Company mapped its internal and external stakeholders? Yes/No.</p>	<p>Yes, The Company has identified its stakeholders and takes steps to engage with them through various formal and informal processes. The major stakeholders have been identified and classified as: Employees, Customers, Shareholders, investors, depositors, communities, Business partners, Contractors, Vendors, Government Bodies, Lenders, Insurance Companies, Suppliers and Contact workers.</p>
2)	<p>Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.</p>	<p>Yes, the Company ensures that all stakeholder concerns, including the disadvantaged and vulnerable, are well incorporated into the Company's strategic thinking and decision-making. The Company takes all practical steps to ensure that all communications with stakeholders is clear, transparent, timely and complete, and respects their right to be informed, so that everyone can make decisions and act with full knowledge. While the management has the accountability for stakeholder, the Company believes that every employee in the Company also has a responsibility towards ensuring satisfactory stakeholder relationships.</p>
3)	<p>Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.</p>	<p>The Company made conscious efforts to engage with stakeholders, identify their needs/concerns and address them.</p>

Principle 5: Businesses should respect and promote human rights

1)	<p>Does the policy of the Company on human rights cover only the company or extend to the Group/ Joint Ventures / Suppliers / Contractors / NGOs / Others</p>	<p>Yes, The Company has identified its stakeholders and takes steps to engage with them through various formal and informal processes. The major stakeholders have been identified and classified as: Employees, Customers, Shareholders, investors, depositors, communities, Business partners, Contractors, Vendors, Government Bodies, Lenders, Insurance Companies, Suppliers and Contact workers.</p>
2)	<p>How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management.</p>	<p>No complaint received with regard to human rights violation in the financial year 2021-22.</p>

Principle 6: Business should respect, protect, and make efforts to restore the environment.

1)	Does the policy related to Principle 6 cover only the company or extends to the Group/JointVentures/Suppliers/Contractors/NGOs/others.	Yes. The Sustainability Policy and Quality, Environment, Occupational, Health and Safety Policy relating to respecting, protecting and restoring the Environment covers the Company, its subsidiaries, associates, vendors contractors and partners.
2)	Does the Company have strategies/initiatives to address global environmental issues such as climatechange, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	The Company has addressed environment and climate issues with clear goals and targets. Following are the objectives of the Company to address environment issues are: <ul style="list-style-type: none"> • Efficient & optimum utilization of available resources • Minimization of waste • Maximization of waste materials' utilization
3)	Does the Company identify and assess potential environmental risks? Y/N	Yes. The Company identifies and assesses potential environmental risks periodically across its plant operations and projects. Company has constantly been investing in latest and best technology to reduce emissions as per Environment norms.
4)	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?	The Company does not have any projects related to Clean Development Mechanism.
5)	Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Green initiative in corporate governance: All manufacturing plants have focused strategy to work on energy conservation, maximizing use of renewable energy thereby reducing carbon emissions. The Company also focuses on operational circularity by maximizing recycling of water to save the precious natural resource. The Company also works diligently to reduce, reuse and recycle waste, striving for zero waste to landfill and incineration. Yes, the Company has taken various initiatives 1. For the packing of panels, we reduce the consumption of wood by using only for mounting and not for entire panel packing. 2. All lights used in the unit are of LED for reduced power consumption & better energy efficiency. The Company fully supports the Ministry of Corporate Affairs' initiative to minimize the use of paper for 'all official communication'. In line with this, the Company sends all notices and documents, including the Annual Report, to shareholders who have registered for the same, by e-mail. This has led to a significant reduction in paper consumption annually.
6)	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes. The emissions/waste generated by the Company is within the permissible limits for the financial year 2021-22.
7)	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	There are no show cause/ legal notices received from CPCB/GPCB which are pending as at end of the Financial Year 2021-22.

BUSINESS RESPONSIBILITY REPORT

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1)	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with :	The Company is a member of Verna Industrial Estate Association
2)	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	The Company is active member in various industry bodies and associations (either directly or through its subsidiary) and actively takes part in the discussion relating to policy development and advocates policies which promotes social and economic growth. The Company engages with industry bodies and association to influence public and regulatory policy in a responsible manner. Only the authorized representative of the company makes interaction with these bodies with honesty and integrity and in compliance with the applicable law.

Principle 8: Businesses should support inclusive growth and equitable development.

1)	Does the Company have specified program / initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. The Company has a CSR policy in place and it has carried out activities majorly Educational/ Vocational Training, Health & Medical Care and other sectors
2)	Are the program/projects undertaken through in-house team/own foundation / external NGO / government structures/any other organization	The Company's CSR activities are carried out through implementing agencies
3)	Have you done any impact assessment of your initiative?	The Company will carry out impact assessment at later stage.
4)	What is your Company's direct contribution to community development projects. Amount in INR and the details of the project undertaken	The Company has spent 15.85 Lakhs during the financial year 2021-22 in Health care, Covid-19 Relief Activities, Education & other sectors. For more details kindly refer the Report on CSR activities forming part of Annual Report as Annexure F
5)	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.	Yes. The Company adopted a collaborative and participatory approach with communities/ beneficiaries in conceiving and deploying CSR projects. The Company has contributed its funds to institutions furthering the benefit to the needy section of the society and the same has been acknowledged by them. During the financial year 2021- 22, the Company has taken initiatives for providing Covid -19 relief by donating to Quarantine Centre at Calangute Goa, through agency further the Company has also made donation to project Abhilasha (a pre-vocational center for People with Developmental Disabilities) & Sponsored Main Electrical Panel Board for completion of School Building for the underprivileged children in Curti Ponda Goa. The company facilitates training and capacity building of communities and relevant stakeholders to successfully adopt and carry forward these initiatives from time to time. Please refer the Company's Annual CSR Report 2021-22 for details on various community development programme undertaken.

BUSINESS RESPONSIBILITY REPORT

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1)	What percentage of customer complaints/ consumer cases are pending as on the end of financial year	No complaints were pending as on the end of financial year.
2)	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. Remarks (additional information)	The Company follows all legal statutes with respect to product labeling and displaying of product information, wherever required.
3)	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.	There are no cases in relation to unfair trade practices, irresponsible advertising and/or violation of any laws during the financial year 2021-22.
4)	Did your Company carry out any consumer survey/consumer satisfaction trends	No

On behalf of the board of directors

Sd/-

Mr. Vinay K. Uchil

Chairman and Executive Director

DIN: 01276871

Sd/-

Mr. Venkatesh K. Uchil

Managing Director

DIN: 01282671

Date: 22nd August, 2022

Place: Mumbai

CORPORATE SOCIAL RESPONSIBILITY

Contributing to societal progress

We believe in the philosophy of supporting social aspirations, because businesses rely on social and relationship capital to a very large extent. Our corporate social responsibility (CSR) initiatives aim to touch and uplift lives.

Project ABHILASHA

Run and managed by Amrita Trust since 2006, Abhilasha aims at enhancing the strengths of adults with Intellectual & Developmental disabilities, above the age of 18 years who have completed their schooling in Special Institutions and train them to work in a professional environment where concept of work culture is imbibed.

In Abhilasha, effort is made to place our youngsters for employment in the open market whenever the student is assessed as ready for it

Donation to School Building for underprivilege kids Dr. K.B. Hedgewar Vidyalaya, Curti Ponda Goa

Supported & Sponsored Main Electrical Panel Board for completion of School Building of Dr. K.B. Hedgewar Vidyalaya, Corti Ponda Goa, a school for the underprivileged students.

Covid Care facilities:

Marine Electricals (India) Limited has always focussed on improving health care including preventive health care especially during these difficult time. Some of the notable actions to address on-ground challenges included Donating medical equipment, beds pillows etc. to Covid Care Center at Calangute Residency Hotel, Calangute, Goa.

Key Focus Areas In FY 2021-22



Education and Rural Development



Disaster Relief



Health Care



INDEPENDENT AUDITORS' REPORT

as at 31 March 2022

To the Members of

Marine Electricals (India) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Marine Electricals (India) Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone cash flow statement for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

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

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibility 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 standalone financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter

Without qualifying our opinion on account of this matter, we draw attention to following matters included in Note to the standalone financial statements:

- 1 Note 62 included in notes to the standalone financial statements regarding the fact that the Company during financial year 2017-18 paid to a supplier in China an advance of USD 8,00,000 carried at Rs 584.48 lakhs as at 31 March 2022, for procurement of solar PV modules. The Company has initiated arbitration proceedings against the supplier by appointing an independent arbitration professional. Pending recovery of the advance paid or procurement of material against the said advance, the Company believes that this advance is recoverable and it continues to carry the said advance as unsecured and considered good.

Key Audit Matters

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

Sr. No.	Key Audit Matters	Auditor's response
1	<p>Revenue recognition accuracy, measurement, presentation and disclosure</p> <p>Revenue is measured based on transaction price, which is the consideration. As disclosed in Note 3.9 to the standalone financial statements, revenue from contract with customers is recognized when the Company satisfies the performance obligation by transfer of control of promised product or service to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Control is defined as the ability to direct the use of and obtain substantially all of the economic benefits from an asset.</p> <p>At the inception of the contract, the Company identifies the goods or services promised in the contract and assess which of the promised goods or services shall be identified as separate performance obligations. Promised goods or services give rise to separate performance obligations if they are capable of being distinct.</p>	<p>Our audit procedures included following:</p> <ul style="list-style-type: none"> • Considering the appropriateness of the management's accounting policies regarding revenue recognition; • Obtained an understanding of management's process over revenue recognition and evaluated design of internal controls around revenue recognition; • Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing;

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibility for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with SAs specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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

1. 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 Act, we give in "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in Annexure A, as required by Section 143(3) of the Act based on our audit, we report to the extent applicable, that:
 - (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the accompanying standalone financial statements;
 - (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 financial statements dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Ind AS prescribed under Section 133 of the Act;
 - (e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the standalone financial statements disclose the impact of pending litigations on the standalone financial position of the Company as at 31 March 2022 – Refer Note 50 to the standalone financial statements;
 - ii. the Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses as at 31 March 2022;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall,

whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The dividend declared or paid by the Company is in compliance with section 123 of the Act.

3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For Saini Pati Shah & Co LLP,
Chartered Accountants
Firm's Registration No: 137904W/W100622

Som Nath Saini
Partner
Membership No: 093079
UDIN:22093079AJSWQD8241

Mumbai, May 27, 2022

Annexure A to the Independent Auditors' Report – 31 March 2022

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2022, we report the following:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified by the management according to a phased programme designed to cover all the items over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements, are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. We are informed that no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on verification between the physical stocks and the book records.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of accounts of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company during the year has made investments in companies, provided guarantees to companies & firms and granted unsecured loans to any other parties in respect of which the requisite information is as below:
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company during the year has provided guarantees to companies & firms and granted unsecured loans to any other parties as below:

(Rs. in Lakhs)

Particulars	Guarantees	Loans
Aggregate amount during the year ended		
- Subsidiaries	1,551.80	-
- Others	-	22.00
Balance outstanding as at balance sheet date		
- Subsidiaries	914.72	-
- Others	-	20.83

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided and the terms and conditions of the loans granted during the year are, prima facie, not prejudicial to the interest of the Company.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans granted during the year, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans granted during the year.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
 - (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans during the year either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans and investments made, and guarantees and security provided by it, as applicable.
- v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified the maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into Goods and Services Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other material statutory dues, as applicable, have been regularly deposited by the Company with the appropriate authorities though there has been significant delays in various instances,. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute except as stated below:

INDEPENDENT AUDITORS' REPORT

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount demanded (Rs in Lakhs)	Amount Paid under protest (Rs in Lakhs)
The Income tax act 1961	Income tax and interest	Assessing Officer	A.Y. 2013-14 to A.Y. 2015-16	4.74	-
The Income tax act 1961	Income tax and interest	Assessing Officer	A.Y. 2016-17	6.08	-
The Income tax act 1961	Income tax and interest	Commissioner (Appeals)	A.Y. 2018-19	8.08	-
Sales Tax Act and VAT laws	Sales tax and interest	Assistant commercial tax Officer	F.Y. 2009-10	43.46	-
Sales Tax Act and VAT laws	Sales tax and interest	Assistant commercial tax Officer	F.Y. 2016-17	27.66	-
Goods & Services Tax Act, 2017	Goods & Services tax	Deputy Commissioner	F.Y. 2017-18	2.46	-
The Custom Act, 1962	Custom duty and penalty	Custom, Excise and Service Tax Appellate Tribunal	13.08.2014 to 30.10.2018	132.62	65.00

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company during the year has defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to lenders in the following instances:

Nature of borrowing	Name of lender	Amount not paid on due date (Rs. in Lakhs)	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Term loan	Kotak Mahindra Bank	29.37	Principal and interest	2	NA
Term loan	Kotak Mahindra Bank	29.37	Principal and interest	2	NA
Term loan	State Bank of India	17.13	Principal and interest	2	NA
Term loan	ICICI Bank Limited	3.74	Principal and interest	2	NA
Term loan	ICICI Bank Limited	0.06	Principal and interest	2	NA
Vehicle loan	Axis Bank Limited	0.15	Principal and interest	2	NA
Vehicle loan	Axis Bank Limited	0.15	Principal and interest	7	NA
Vehicle loan	Axis Bank Limited	0.15	Principal and interest	7	NA
Vehicle loan	Kotak Mahindra Prime Limited	0.41	Principal and interest	4	NA

INDEPENDENT AUDITORS' REPORT

Nature of borrowing	Name of lender	Amount not paid on due date (Rs. in Lakhs)	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Vehicle loan	Kotak Mahindra Prime Limited	0.41	Principal and interest	2	NA
Vehicle loan	Kotak Mahindra Prime Limited	0.41	Principal and interest	22	NA

- (b) According to the information and explanations given to us and representation received from the management of the Company, and on the basis of our audit procedures, the Company has not been declared a willful defaulter by any bank or financial institutions or government or government authority. Accordingly, reporting under clause 3(ix)(b) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the terms loans have been applied, on an overall basis, for the purposes for which they were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or persons on account of or to meet the obligations of its subsidiaries or joint venture (as defined under the act). The Company does not hold any investment in any associates (as defined under the Act) during the year ended 31 March 2022. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint venture (as defined under the act). The Company does not hold any investment in any associates (as defined under the act) during the year ended 31 March 2022. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with section 177 and section 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

INDEPENDENT AUDITORS' REPORT

- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3 of the Order is not applicable to the Company.
- (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 standalone financial statements, our knowledge of the plans of the Board of Directors and management 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 that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company during the year spent the amount of Corporate Social Responsibility as required under sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(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 Saini Pati Shah & Co LLP,
Chartered Accountants
Firm's Registration No: 137904W/W100622

Som Nath Saini
Partner
Membership No: 093079
UDIN:22093079AJSWQD8241

Mumbai, May 27, 2022

Annexure B to the Independent Auditors' Report – 31 March 2022

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

(Referred to in paragraph (2)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Marine Electricals (India) Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with respect to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone 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 standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with respect to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with respect to standalone financial statements included obtaining an understanding of internal financial controls with respect to standalone 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 auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to standalone 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 include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the

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

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

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

For Saini Pati Shah & Co LLP,
Chartered Accountants
Firm's Registration No: 137904W/W100622

Som Nath Saini
Partner
Membership No: 093079
UDIN:22093079AJSWQD8241

Mumbai, May 27, 2022

STANDALONE BALANCE SHEET

as at 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,883.90	2,626.37
Right-to-use asset	5	397.38	676.46
Capital work in progress	6	198.79	-
Investment property	7	511.96	572.52
Other intangible assets	8	45.63	66.04
Financial assets			
Investments	9	919.46	1,113.49
Other financial assets	10	360.07	627.56
Deferred tax assets (net)	11	99.25	24.15
Other non-current assets	12	994.87	36.09
Non-current tax assets (net)	13	38.93	128.47
Total non-current assets		6,450.24	5,871.15
Current assets			
Inventories	14	5,694.44	5,858.80
Financial assets			
Trade receivables	15	11,915.54	12,705.03
Cash and cash equivalents	16	23.64	89.40
Bank balances other than cash and cash equivalents above	17	744.16	916.60
Loans	18	254.79	335.79
Other financial assets	19	428.32	102.33
Other current assets	20	2,446.48	3,883.93
Total current assets		21,507.37	23,891.88
Total assets		27,957.61	29,763.03
EQUITY AND LIABILITIES			
Equity			
Equity share capital	21	2,453.31	2,453.31
Other equity	22	11,962.76	10,934.28
Total equity		14,416.07	13,387.59
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	23	439.26	850.02
Lease liabilities	24	59.57	132.04
Provisions	25	286.77	229.12
Diferred tax liabilities	11	-	-
Total non-current liabilities		785.60	1,211.18

STANDALONE BALANCE SHEET

as at 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Note	As at	
		31 March 2022	31 March 2021
Current liabilities			
Financial liabilities			
Borrowings	26	2,335.67	3,543.53
Lease liabilities	24	68.23	248.06
Trade payables:	27		
- Micro and small enterprises		81.22	50.42
- Other than micro and small enterprises		7,951.76	8,995.94
Other financial liabilities	28	543.60	260.29
Other current liabilities	29	1,601.16	1,844.39
Provisions	30	22.79	24.24
Current tax liabilities (net)	31	151.51	197.39
Total current liabilities		12,755.94	15,164.26
Total liabilities		13,541.54	16,375.44
Total equity and liabilities		27,957.61	29,763.03

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

As per our report of even date attached

For SAINI PATI SHAH & CO LLP

Chartered Accountants

Firm's Registration No: 137904W/W100622

Som Nath Saini

Partner

Membership No: 093079

Venkatesh Uchil

Managing Director

DIN: 01282671

Namita Sethia

Chief Financial Officer

Place : Mumbai,

Date : 27 May 2022

Place : Mumbai,

Date : 27 May 2022

For and on behalf of the Board of Directors of Marine Electricals (India) Limited

Vinay Uchil

Chairman and Executive Director

DIN: 01276871

Mitali Ambre

Company Secretary and Compliance Officer

Place : Mumbai,

Date : 27 May 2022

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Note	for the year ended 31 March 2022	for the year ended 31 March 2021
Income			
Revenue from operations	32	32,288.56	19,987.37
Other income	33	550.23	358.94
Total income		32,838.79	20,346.31
Expenses			
Cost of materials consumed	34	24,476.51	14,435.76
Changes in inventories of finished goods and work-in-progress	35	193.39	(198.92)
Employee benefits expense	36	2,239.79	1,764.01
Finance costs	37	645.18	772.56
Depreciation and amortization expense	38	760.33	764.36
Other expenses	39	2,759.88	1,722.72
Total expenses		31,075.08	19,260.49
Profit before tax		1,763.71	1,085.82
Income Tax expense / (credit):			
- Current tax	40	535.56	249.00
Adjustment in respect of tax for earlier years		56.73	-
- Deferred tax charge / (credit)		(75.22)	53.97
		517.07	302.97
Profit after tax		1,246.64	782.85
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plans		0.47	22.21
Income tax relating to items that will not be reclassified to profit or loss		(0.12)	(5.59)
Other comprehensive income / (loss) for the year		0.35	16.62
Total comprehensive income for the year		1,246.99	799.47
Earning per share ("EPS")			
- Basic and diluted earning per equity share of face value of Rs 2 each	41	1.02	0.64

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

As per our report of even date attached

For SAINI PATI SHAH & CO LLP

Chartered Accountants

Firm's Registration No: 137904W/W100622

Som Nath Saini

Partner

Membership No: 093079

Venkatesh Uchil

Managing Director

DIN: 01282671

Namita Sethia
Chief Financial Officer

**For and on behalf of the Board of Directors of
Marine Electricals (India) Limited**

Vinay Uchil

Chairman and Executive Director

DIN: 01276871

Mitali Ambre
Company Secretary and Compliance Officer

Place : Mumbai,
Date : 27 May 2022

Place : Mumbai,
Date : 27 May 2022

Place : Mumbai,
Date : 27 May 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

A. Equity share capital

Current reporting year

Balance at the beginning current reporting year	Changes in equity share capital during the current year	Balance at the end of current reporting year
2,453.31	-	2,453.31

Previous reporting year

Balance at the beginning of the current reporting year	Changes in equity share capital during the previous year	Balance at the end of previous reporting year
2,453.31	-	2,453.31

B. Other equity

Current reporting year

Particulars	Reserves and surplus			Other component of equity	Total
	Securities premium	General reserve	Retained earnings		
Balance at the beginning of current reporting year	3,983.54	708.10	6,072.59	170.05	10,934.28
Profit for the current reporting year	-	-	1,246.64	-	1,246.64
Other comprehensive income for the current year	-	-	0.35	-	0.35
Fair value of financial guarantee transferred to other component of equity	-	-	-	26.82	26.82
Dividends (refer note 64)	-	-	(245.33)	-	(245.33)
Balance at the end of current reporting year	3,983.54	708.10	7,074.25	196.87	11,962.76

Previous reporting year

Particulars	Reserves and surplus			Other component of equity	Total
	Securities premium	General reserve	Retained earnings		
Balance at the beginning of previous reporting year	3,983.54	708.10	5,273.12	141.44	10,106.20
Profit for the previous reporting year	-	-	782.85	-	782.85
Other comprehensive income for the previous year	-	-	16.62	-	16.62
Fair value of financial guarantee transferred to other component of equity	-	-	-	28.61	28.61
Balance at the end of previous reporting year	3,983.54	708.10	6,072.59	170.05	10,934.28

The accompanying notes form an integral part of these standalone financial statements
As per our report of even date attached

For SAINI PATI SHAH & CO LLP

Chartered Accountants

Firm's Registration No: 137904W/W100622

Som Nath Saini

Partner

Membership No: 093079

Venkatesh Uchil

Managing Director

DIN: 01282671

Namita Sethia
Chief Financial Officer

Place : Mumbai,

Date : 27 May 2022

For and on behalf of the Board of Directors of Marine Electricals (India) Limited

Vinay Uchil

Chairman and Executive Director

DIN: 01276871

Mitali Ambre
Company Secretary and Compliance Officer

Place : Mumbai,

Date : 27 May 2022

STANDALONE CASH FLOW STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities		
Profit before tax	1,763.71	1,085.82
<i>Adjustments:</i>		
Depreciation and amortization	760.33	764.36
Sundry balances written off	8.59	51.73
Bad debts written off	85.85	38.76
Provision for bad and doubtful debts	-	-
Provision for bad and doubtful loans and receivables	-	-
Finance costs	645.18	772.56
Liabilities/ sundry balances written back	(60.91)	(3.67)
Allowance for expected credit loss	5.05	-
Allowance for expected credit loss written back	(10.00)	(20.56)
Share of profit in a partnership firm	(103.90)	(39.64)
Share of loss in a jointly controlled entity	2.42	0.13
Loss on sale of property, plant and equipment	85.34	-
Interest income on financial instruments at amortised cost	(30.80)	(31.10)
Interest income on advance towards purchase of equity instruments	(9.73)	-
Finance guarantee income	(0.45)	(0.23)
Operating cash flows before working capital changes	3,140.68	2,618.16
Working capital movements:		
(Increase) / Decrease in inventories	164.36	(276.47)
(Increase) / Decrease in trade receivables	698.59	(577.80)
(Increase) / Decrease in bank balances other than cash and cash equivalents	172.44	(226.43)
(Increase) / Decrease in loans	91.00	382.98
(Increase) / Decrease in other financial assets	(27.70)	94.34
(Increase) / Decrease in other assets	1,341.06	(809.85)
Increase / (Decrease) in trade payables	(952.46)	(2,191.02)
Increase / (Decrease) in other financial liabilities	10.45	(5.98)
Increase / (Decrease) in other liabilities	(243.23)	911.68
Increase / (Decrease) in provisions	56.55	22.63
Cash generated from operations	4,451.74	(57.76)
Income taxes paid, net	(548.52)	(231.09)
Net cash flows generated from / (used in) operating activities (A)	3,903.22	(288.85)
Cash flows from investing activities		
Purchase of property plant and equipment and intangible assets (including movement in capital advances, creditors for property, plant and equipment and capital work in progress)	(786.71)	(137.10)
Proceeds from sale of property, plant and equipment	89.20	-
Payment of advance towards purchase of equity instruments	(831.67)	-
Acquisition of equity interest in subsidiary	-	(2.84)
Acquisition of compulsorily convertible preference shares	(50.38)	(18.66)
Capital withdrawn from partnership firm	346.00	-
Capital withdrawn from jointly controlled entity	0.34	-
Net cash flows generated from / (used in) investing activities (B)	(1,233.22)	(158.60)
Cash flows from financing activities		
Proceeds from / (repayment of) non current borrowings (net)	(505.05)	236.70
Proceeds from / (repayment of) current borrowings (net)	(1,113.57)	848.94
Finance costs paid	(620.43)	(766.80)
Dividend paid	(244.41)	-
Repayment of lease liabilities (net of finance cost)	(252.30)	(250.19)
Net cash flows generated from / (used in) financing activities (C)	(2,735.76)	68.65
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(65.76)	(378.80)
Cash and cash equivalents at the beginning of the year	89.40	468.20
Cash and cash equivalents at the end of the year	23.64	89.40

STANDALONE CASH FLOW STATEMENT

for the year ended 31 March 2022

Particulars

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

For the year ended 31 March 2022 For the year ended 31 March 2021

Notes to cash flow statement:

1. Component of cash and cash equivalents:

Cash on hand	4.90	7.78
Balances with banks		
- in current accounts	17.02	28.84
- in escrow account	0.12	-
- in EEFC accounts	1.60	52.78
Total cash and cash equivalents	23.64	89.40

2. The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7 Statement of Cash Flows u/s 133 of Companies Act, 2013 ('Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules 2015 and the relevant provisions of the Act.

The accompanying notes form an integral part of these standalone financial statements
As per our report of even date attached

For SAINI PATI SHAH & CO LLP

Chartered Accountants

Firm's Registration No: 137904W/W100622

Som Nath Saini

Partner

Membership No: 093079

Venkatesh Uchil

Managing Director

DIN: 01282671

Namita Sethia

Chief Financial Officer

Place : Mumbai,

Date : 27 May 2022

Place : Mumbai,

Date : 27 May 2022

For and on behalf of the Board of Directors of Marine Electricals (India) Limited

Vinay Uchil

Chairman and Executive Director

DIN: 01276871

Mitali Ambre

Company Secretary and Compliance Officer

Place : Mumbai,

Date : 27 May 2022

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

1. Corporate Information

The Company was incorporated as a private limited company with the name "Marine Electricals (India) Private Limited" on 4 December 2007 under the Companies Act, 1956 by converting a partnership firm with the name "Marine Electricals". On 1 August 2018, the Company was converted into a public limited company and the name got changed to "Marine Electricals (India) Limited". The Company got listed on Small and Medium Enterprises ("SME") platform named EMERGE of National Stock Exchange of India ("NSE") on 11 October 2018 and got migrated to NSE main board with effect from 02 December 2020.

The Company is engaged in manufacturing and sale of all types of marine and industrial electrical & electronic components like switch-gears, control-gears etc. and is also engaged in renewable energy sector specifically solar. It also provides services like designing, fabricating etc. for all types of electrical & electronic installations in India and abroad and undertake annual maintenance contracts.

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules as amended from time to time and notified under section 133 of the Companies Act, 2013 ("the Act") and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act.

These standalone financial statements for the year ended 31 March 2022 were authorised and approved for issue by the Company's Board of Directors at its meeting held on 27 May 2022.

2.2 Basis of preparation and measurement

These financial statements have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period (refer accounting policy regarding financial instruments).

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (Unadjusted) marked prices in the 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

2.3 Current Versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.4 Critical accounting judgements and use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. The actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and future periods.

Accounting estimates and judgements are used in various line items in the financial statements for e.g.:

Property, plant and equipment

The management engages internal technical team to assess the remaining useful lives and residual value of property, plant and equipment annually in order to determine the amount of depreciation to be recorded during any reporting period. The management believes that the assigned useful lives and residual value are reasonable.

Income taxes

The management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets / liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

Contingencies

The management's judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Expected credit losses on financial assets:

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Effective Interest Rate (EIR) Method:

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other income/expense that are integral parts of the instrument.

Fair value measurements and valuation processes:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation technique that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.5 Recent pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprise the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

3. Significant Accounting Policies

3.1 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

3.2 Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Company and cost of the item can be measured reliably. All other repair and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Depreciation on property, plant and equipment is provided on written down value method over the useful lives of assets as prescribed under Schedule II to the Companies Act, 2013. Based on past experience and internal technical evaluation, the management believes that these useful lives represent the appropriate period of usage and therefore, considered to be appropriate for charging depreciation.

Depreciation on addition (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which assets is ready for use (disposed of).

The estimated useful lives of the property, plant and equipment considered by the Company are as follows:

Tangible Assets	Estimated useful life (in Years)
Buildings	30
Plant and machinery	15
Plant and machinery – Drilling Rig	30
Computers	3
Furniture and fixtures	10
Vehicles	8
Office equipment	3-5

Leasehold improvements are amortised over the lower of estimated useful life as per Schedule II or intended lease period.

Assets residual values, depreciation method and useful lives are reviewed at the end of financial year considering the physical condition of the assets or whenever there are indicators for review and adjusts residual life prospectively.

Derecognition

An item of property, plant and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset / significant component (calculated as the difference between the net disposal proceeds and the carrying amount of the asset / significant component) is recognised in statement of profit and loss, when the asset is derecognised.

3.3 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Company and cost of the item can be measured reliably. All other repair and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Depreciation on investment property is provided on the written down value method over their estimated useful lives. However, where the management's estimate of the remaining useful life of the assets on a review subsequent to the time of acquisition is different, then depreciation is provided over the remaining useful life based on the revised useful life.

3.4 Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets, other than license, are amortised on a written down value method in accordance with the useful life prescribed in Schedule II to the Act.

The estimated useful lives of the intangible assets considered by the Company are as follows:

Intangible Assets	Estimated useful life (in Years)
Software	3

License are amortised on a straight-line basis over a period of five years.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the statement of profit and loss.

3.5 Assets held for sale

Non-current assets, or disposal groups are classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to the statement of profit and loss. The same applies to gains and losses on subsequent remeasurement although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the accounting policies. Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

3.6 Foreign currency translation

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

3.7 Taxes

Tax expense comprises of current and deferred tax.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

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

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

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. Minimum Alternative Tax ("MAT") credit is recognised as deferred tax asset based on evidence that the Company will pay normal income tax during the specified period. Significant judgments are involved in determining the future taxable income and future book profits, including amount of MAT credit available for set-off.

3.8 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods, including freight, octroi and other levies.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Cost is determined under the weighted average cost method and includes all costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work in progress further includes direct labour and an appropriate share of production overheads as applicable.

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

Due allowances are made for defective, obsolete and slow-moving inventory, wherever necessary, based on management estimates and past experiences of the Company.

3.9 Revenue recognition

Revenue from contract with customers is recognized when the Company satisfies the performance obligation by transfer of control of promised product or service to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Control is defined as the ability to direct the use of and obtain substantially all of the economic benefits from an asset. Revenue excludes taxes collected from customers.

Revenue is measured based on the transaction price, which is the expected consideration to be received, to the extent that it is highly probable that there will not be a significant reversal of revenue in future periods. If the consideration in a contract includes a variable amount, at the inception of the contract, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer.

At the inception of the contract, the Company identifies the goods or services promised in the contract and assess which of the promised goods or services shall be identified as separate performance obligations. Promised goods or services give rise to separate performance obligations if they are capable of being distinct.

Revenue from the delivery of products is recognised at the point in time when control over the products is passed to the customers, which is determined based on the individual terms agreed in the customer contract. Revenue from support services is recognized on rendering of services in accordance with the contractual agreement with the customers.

Contract balances:

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Contract asset, which is presented as unbilled revenue, is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. Contract liabilities include, and are presented as 'Revenue received in advance' and 'Advances from customers'.

3.10 Other income

Interest income

Interest income is recognized as it accrues in the statement of profit and loss using effective interest rate method.

Duty drawback

Duty drawback is recognized basis entitlement upon exports made. Provision is made for duty drawback entitlement pending to be received towards end of the year on exports made during the year.

Net gain loss on fair value change

The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL on net basis. However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the statement of profit and loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

3.11 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.

i. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as:

- Debt instruments assets at amortised cost
- Equity instrument measured at fair value through profit or loss (FVTPL)

When assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit and loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

Debt instruments at amortised cost

A debt instrument is measured at amortised cost (net of any write down for impairment) if both the following conditions are met:

- the asset is held to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes), and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss. The losses arising from impairment are recognised statement of profit and loss. This category generally applies to trade and other receivables.

Financial assets at fair value through OCI (FVTOCI)

A financial asset that meets the following two conditions is measured at fair value through OCI unless the asset is designated at fair value through profit and loss under fair value option.

- The financial asset is held both to collect contractual cash flows and to sell.
- 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.

Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial assets at fair value through profit and loss (FVTPL)

FVTPL is a residual category for company's investment instruments. Any instruments which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

All investments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss

In addition, the company may elect to designate an instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company has not made any such election. This classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment, However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investment in subsidiary are measured at cost.

Derecognition

When the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; it evaluates if and to what extent it has retained the risks and rewards of ownership.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- Based on above evaluation, either
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a bases that reflect the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 ('Financial instruments') requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised 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 an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iv. Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

3.12 Impairment of non-financial assets

Non-financial assets including Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the standalone statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the standalone statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash in hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.14 Provisions, contingent liabilities and contingent assets

Provision

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

Provision for warranty

Product warranty costs are accrued in the year of sale of products, based on past experiences. The Company periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary.

Contingent liabilities and contingent assets

Contingent liabilities are 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 or 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. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are not recognized in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

3.15 Government grants

Grants from the government are recognised where there is reasonable assurance that the grant will be received and the Company will comply with required conditions. Export incentive under duty drawback are accrued when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

3.16 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

3.17 Employee benefits

Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include salary, wages, short-term compensated absences, performance incentives, etc. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period of rendering of service by the employee.

Long-term employee benefits:

(i) Defined contribution plans:

The Company's contribution to provident fund, superannuation fund, employee state insurance scheme and labour welfare fund are considered as defined contribution plans. The Company's contribution paid / payable under the plans are recognised as an expense in the standalone statement of profit and loss during the period in which the employee renders the related service.

(ii) Defined benefits plan:

Post-employment benefit:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The present value of the obligation under such defined benefit plan is determined based on independent actuarial valuation at the balance sheet date using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the standalone statement of profit and loss.

Other long-term employment benefit:

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive encashment on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

3.18 Leases

At inception of contract, the Company assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

As a lessee:

Leases are recognised as a Right-of-Use (RoU) asset at cost with a corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets in accordance with Ind AS 116 'Leases'.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs etc.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

As a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income on such operating leases are recognised in the statement of profit and loss on an accrual basis in accordance with the lease agreement. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.19 Borrowings

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

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3.20 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

3.21 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

3.22 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

3.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (“CODM”) of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

4 Property, plant and equipment

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Freehold land	Buildings	Plant and machinery (including drilling rig)	Computers	Furniture and fixtures	Leasehold improvements	Vehicles	Office equipments	Total
Gross block:									
As at 31 March 2020	24.54	1,784.86	1,371.19	23.14	51.48	17.48	47.80	10.45	3,330.94
Additions	-	13.96	-	9.96	7.56	-	7.89	25.87	65.04
Disposals	-	-	-	-	-	-	-	-	-
As at 31 March 2021	24.54	1,798.82	1,371.19	33.10	59.04	17.48	55.49	36.32	3,395.98
Additions	-	272.16	304.19	23.62	45.01	-	22.35	104.21	771.54
Disposals	-	-	(359.19)	-	-	-	-	(2.39)	(361.58)
As at 31 March 2022	24.54	2,070.98	1,316.19	56.72	104.05	17.48	77.84	138.14	3,805.94
Accumulated depreciation:									
As at 31 March 2020	-	171.70	192.67	10.11	13.46	4.52	11.31	2.98	406.75
Charge for the year	-	155.68	170.31	8.03	10.09	3.35	12.63	2.77	362.86
Disposals	-	-	-	-	-	-	-	-	-
As at 31 March 2021	-	327.38	362.98	18.14	23.55	7.87	23.94	5.75	769.61
Charge for the year	-	150.75	176.27	16.16	12.63	2.48	16.47	24.91	399.67
Disposals	-	-	(244.95)	-	-	-	-	(2.29)	(247.24)
As at 31 March 2022	-	478.13	294.30	34.30	36.18	10.35	40.41	28.37	922.04
Net block:									
As at 31 March 2021	24.54	1,471.44	1,008.21	14.96	35.49	9.61	31.55	30.57	2,626.37
As at 31 March 2022	24.54	1,592.85	1,021.89	22.42	67.87	7.13	37.43	109.77	2,883.90

Notes:

1. Refer note 23 and 26 for information on property, plant and equipment pledged as security by the Company.
2. Refer note 51 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
3. The title deeds of all the immovable properties are held in the name of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

5 Right-of-use assets

Particulars	Premises	Equipment	Land	Total
Gross block:				
As at 31 March 2020	735.51	148.34	395.96	1,279.80
Additions	1.28	-	-	1.28
Disposals	-	-	-	-
As at 31 March 2021	736.79	148.34	395.96	1,281.08
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31 March 2022	736.79	148.34	395.96	1,281.08
Accumulated depreciation :				
As at 31 March 2020	236.02	37.36	22.48	295.85
Charge for the year	249.09	37.26	22.42	308.77
Disposals	-	-	-	-
As at 31 March 2021	485.11	74.62	44.90	604.62
Charge for the year	219.41	37.26	22.42	279.09
Disposals	-	-	-	-
As at 31 March 2022	704.51	111.88	67.32	883.71
Net block:				
As at 31 March 2021	251.68	73.72	351.06	676.46
As at 31 March 2022	32.28	36.46	328.64	397.38

Note:

Lease deeds of all right-of-use assets are held in the name of the Company.

6. Capital work in progress

Particulars	Amount
As at 31 March 2020	-
Addition during the year	-
Capitalised during the year	-
As at 31 March 2021	-
Addition during the year	350.23
Capitalised during the year	(151.44)
As at 31 March 2022	198.79

For Capital work in progress ageing, refer note 54.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

7 Investment property

Particulars	Buildings
Gross block:	
As at 31 March 2020	715.99
Additions	-
Disposals	-
As at 31 March 2021	715.99
Additions	-
Disposals	-
As at 31 March 2022	715.99
Accumulated depreciation :	
As at 31 March 2020	75.74
Charge for the year	67.73
Disposals	-
As at 31 March 2021	143.47
Charge for the year	60.56
Disposals	-
As at 31 March 2022	204.03
Net block:	
As at 31 March 2021	572.52
As at 31 March 2022	511.96

Notes

- (i) Investment property comprise of a commercial building that is leased to third party. Subsequent renewal of license agreement are negotiated with the tenant and average renewal period ranges between three and five years.
- (ii) Refer note 23 and 26 for information on investment property pledged as security by the Company.
- (iii) (a) As at 31 March 2022, the fair value of the property is Rs. 2,917.04 lakhs. This valuation is based on valuation performed by an accredited independent valuer.

In the previous year, the Company has not obtained valuation report from an independent registered valuer to determine the fair value of its investment property as at 31 March 2021. Accordingly, fair value disclosure as required under Ind AS 40 - Investment Property is not provided for the previous year.

- (b) The fair value of the Company's investment property has been arrived at using Composite rate method. Under Composite rate method, rate is arrived using comparable sales instance for similar property with same specification in the adjoining locality and further adjusted for depreciation on building component. The main inputs used are age of the building, life of the building, salvage value and composite rate.

(c) Details of the Company's investment property and information about the fair value hierarchy is as follows:

Particulars	As at 31 March 2022
Assets for which fair values are disclosed	
Investment property	
Level 1	-
Level 2	-
Level 3	2,917.04

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

(d) Amounts recognised in statement of profit and loss related to investment properties (excluding depreciation and finance costs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Rental income from investment property	100.88	92.47
Direct operating expenses arising from investment property that generated rental income during the year	8.76	5.10
Direct operating expenses arising from investment property that did not generate rental income during the year	-	-

8 Other intangible assets

Particulars	License	Softwares	Intellectual Property	Total
Gross block:				
As at 31 March 2020	33.75	38.61	-	72.36
Additions	33.75	6.60	-	40.35
Disposals	-	-	-	-
As at 31 March 2021	67.50	45.21	-	112.71
Additions	-	0.60	60.20	60.80
Disposals	-	-	(60.20)	(60.20)
As at 31 March 2022	67.50	45.81	-	113.31
Accumulated amortization:				
As at 31 March 2020	3.10	18.57	-	21.67
Charge for the year	11.51	13.49	-	25.00
Disposals	-	-	-	-
As at 31 March 2021	14.61	32.06	-	46.67
Charge for the year	14.92	6.09	-	21.01
Disposals	-	-	-	-
As at 31 March 2022	29.53	38.15	-	67.68
Net block:				
As at 31 March 2021	52.89	13.15	-	66.04
As at 31 March 2022	37.97	7.66	-	45.63

9 Investments (Non-current)

Particulars	As at 31 March 2022	As at 31 March 2021
Measured at cost:		
(i) Investment in equity instruments of subsidiaries (unquoted):		
(a) 210,000 (31 March 2021: 210,000) Equity shares of Rs 10 each in Eltech Engineers Madras Private Limited	2.10	2.10
(b) 90 (31 March 2021: 90) Equity shares of AED 1500 each in MEL Power Systems FZC	19.38	19.38
(c) 28,462 (31 March 2021: 28,462) Equity shares of Rs 10 each in Evigo Charging Consultants Private Limited	2.84	2.84
(ii) Investment in preference instruments of subsidiary (unquoted):		
6,904 (31 March 2021: 1,866) compulsorily convertible preference shares of Rs 1,000 each in Evigo Charging Consultants Private Limited	69.04	18.66
(iii) Investment in partnership firm:		
Capital in Narhari Engineering Works	826.10	1,067.75

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
(iv) Investment in jointly controlled entity:		
Capital in Automatic Electronic Controls Manufacturing Co. (a partnership firm)	-	2.76
	919.46	1,113.49
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	919.46	1,113.49
Aggregate amount of impairment in value of investment	-	-

Note:

1 Investment in subsidiaries are stated at cost using the principles of Ind AS 27 'Separate Financial Statements'.

2 Details of investments in partnership firms

Name of Partner	As at 31 March 2022		As at 31 March 2021	
	% Share	Capital	% Share	Capital
Narhari Engineering Works:				
Marine Electricals (India) Limited	80%	826.10	80%	1,067.75
Mr. Vinay Uchil	10%	67.32	10%	54.33
Mr. Venkatesh Uchil	10%	67.32	10%	54.33
		960.74		1,176.41
Automatic Electronic Controls Manufacturing Co.:				
Marine Electricals (India) Limited	-	-	50%	2.76
KDU Enterprises Private Limited	-	-	50%	4.16
		-		6.92

3 The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or jointly controlled entity (as defined under the act). The Company does not hold any investment in any associates (as defined under the act) during the year ended 31 March 2022.

10 Other financial assets (Non-current)

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good:		
Lease deposits:		
- related parties (Refer note 44)	-	307.85
- others	-	4.72
Security deposits	15.75	16.97
Margin money deposits*	344.32	298.02
	306.07	627.56

* The deposits are pledged against bank guarantees issued and for cash credit / letter of credit facilities.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

11 Deferred tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax assets:		
Provision allowed under tax on payment basis	99.12	82.61
Share issue expenses allowable u/s 35D of the Income-tax Act, 1961	10.04	20.08
Measurement of financial assets and liabilities at amortised cost, net	27.12	20.32
Ind AS 116 - "Leases"	38.62	38.31
Others	2.52	2.64
Total deferred tax asset (A)	177.42	163.96
Deferred tax liabilities		
Accelerated depreciation for tax purpose	73.75	109.15
Ind AS 115 - "Revenue from contracts with customers"	4.42	30.66
Total deferred tax liabilities (B)	78.17	139.81
Net Deferred tax Assets (A-B)	99.25	24.15

12 Other non-current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	123.84	36.04
Capital advances	29.63	0.05
Advance towards purchase of equity instruments (Refer note 63)	841.40	-
	994.87	36.09

13 Non-current tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance tax and tax deducted at source (net of provision for tax)	38.93	128.47
	38.93	128.47

14 Inventories

(valued at lower of cost and net realisable value, unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials	2,149.44	2,120.41
Work in progress	3,545.00	3,738.39
	5,694.44	5,858.80

Refer note 23 and 26 for details of inventories pledged against borrowings by the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

15 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good:		
Trade receivables	12,024.01	12,808.46
Less: Allowance for expected credit loss	(108.47)	(103.42)
	11,915.54	12,705.03

Refer note 23 and 26 for details of trade receivables pledged against borrowings by the Company.

Refer note 44 for details about related party trade receivables.

Refer note 47 for information about credit risk and market risk of trade receivables.

For trade receivables ageing, refer note 52.

16 Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	4.90	7.78
Balances with banks:		
- in current accounts	17.02	28.84
- in escrow account	0.12	-
- in EEFC account	1.60	52.78
	23.64	89.40

17 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Margin money deposits*	744.16	916.60
	744.16	916.60

* The deposits are pledged against bank guarantees issued and for cash credit / letter of credit facilities.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

18 Loans (Current)

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good :		
Loans :		
- related parties (Refer note 44)	-	62.87
- others	185.94	197.50
Staff loans and advances	61.76	67.24
Other receivables	7.09	8.18
Loans receivables - credit impaired	13.66	23.66
Less: Allowance for expected credit loss	(13.66)	(23.66)
	254.79	335.79

Refer note 47 for information about credit risk and market risk of loans.

Notes:

(i) There are no outstanding loans or advances in the nature of loans granted to Promoters, Directors, key management personnel and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

(ii) Details of loans / advances in the nature of loans to related parties:

Particulars	Debts outstanding as at 31 March 2021	Maximum balance outstanding during the year
Subsidiary		
Eltech Engineers Madras Private Limited *	-	62.87
(interest rate 10.00%)	<i>62.87</i>	<i>62.87</i>

Figures in italics represents comparative figures of previous year.

* The loan have been given for business purposes.

19 Other financial assets (Current)

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good :		
Security deposits	21.08	12.99
Lease deposits:		
- related parties (Refer note 44)	338.48	-
- others	13.74	7.74
Interest accrued on deposits	55.02	81.60
Unsecured, considered doubtful :		
Other receivables	4.84	4.84
Less: Allowance for expected credit loss	(4.84)	(4.84)
	428.32	102.33

Refer note 47 for information about credit risk and market risk of other financial assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

20 Other current assets

Particulars	As at	
	31 March 2022	31 March 2021
Balances with government authorities	788.17	608.86
Contract assets	14.46	183.48
Advances to suppliers		
- related parties (Refer note 44)	396.31	746.31
- others	1,145.40	2,198.97
Prepaid expenses	102.14	146.30
	2,446.48	3,883.93

21 Equity share capital

Particulars	As at	
	31 March 2022	31 March 2021
Authorised :		
15,00,00,000 (31 March 2021: 15,00,00,000)	3,000.00	3,000.00
equity shares of Rs. 2 each (31 March 2021: Rs 2 each)		
	3,000.00	3,000.00
Issued, subscribed and paid-up capital :		
12,26,65,250 (31 March 2021: 12,26,65,250)	2,453.31	2,453.31
equity shares of Rs. 2 each (31 March 2021Rs 2 each) fully paid-up		
	2,453.31	2,453.31

a) Reconciliation of the number of shares:

Particulars	As at		As at	
	31 March 2022		31 March 2021	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding as at the beginning of the year	12,26,65,250	2,453.31	2,45,33,050	2,453.31
Equity shares arising on sub division of face value from Rs 10/- to Rs 2/- per share #	-	-	9,8,132,200	-
Outstanding as at the end of the year	12,26,65,250	2,453.31	12,26,65,250	2,453.31

The equity shares of the Company, during the previous year, have been sub-divided from existing face value of Rs 10 per equity share to face value of Rs 2 per equity share based on approval by the shareholders through postal ballot resolution on 04 February 2021.

b) Rights, preference and restrictions attached to the equity shares:

The Company has single class of equity shares having a par value of Rs. 2 each. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) List of shareholders holding more than 5% shares of a class of shares :

	As at		As at	
	31 March 2022		31 March 2021	
	No. of Share	%of holding	No. of Share	%of holding
KDU Enterprises Private Limited	6,34,06,875	51.69%	6,34,06,875	51.69%
Mr. Venkatesh K. Uchil	2,67,72,375	21.83%	2,67,72,375	21.83%

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

d) Details of shares held by the holding company

	As at 31 March 2022		As at 31 March 2021	
	No. of Share	%of holding	No. of Share	%of holding
KDU Enterprises Private Limited	6,34,06,875	51.69%	6,34,06,875	51.69%

e) Disclosure of shareholding of promoters

Disclosure of shareholding of promoters as at 31 March 2022 is as follows:

Promoter's name	As at 31 March 2022		As at 31 March 2021		% changes during the year
	No. of Share	%of holding	No. of Share	%of holding	
KDU Enterprises Private Limited	6,34,06,875	51.69%	6,34,06,875	51.69%	-
Mr. Venkatesh K. Uchil	2,67,72,375	21.83%	2,67,72,375	21.83%	-
Mr. Vinay K. Uchil	9,000	0.01%	1,000	0.001%	0.01%
Ms. Tanuja D. Pudhierkar	1,000	0.001%	1,000	0.001%	-
	9,01,89,250	73.52%	9,01,81,250	73.52%	0.01%

Disclosure of shareholding of promoters as at 31 March 2021 is as follows:

Promoter's name	As at 31 March 2021		As at 31 March 2020		% changes during the year
	No. of Share	%of holding	No. of Share	%of holding	
KDU Enterprises Private Limited	6,34,06,875	51.69%	6,34,06,875	51.69%	-
Mr. Venkatesh K. Uchil	2,67,72,375	21.83%	2,67,72,375	21.83%	-
Mr. Vinay K. Uchil	1,000	0.01%	1,000	0.001%	-
Ms. Tanuja D. Pudhierkar	1,000	0.001%	1,000	0.001%	-
	9,01,81,250	73.52%	9,01,81,250	73.52%	-

* The equity shares of the Company, during the previous year, have been sub-divided from existing face value of Rs 10 per equity share to face value of Rs 2 per equity share based on approval by the shareholders through postal ballot resolution on 04 February 2021. Accordingly, number of shares as at 31 March 2020 have been computed on the basis of new number of equity shares.

- f) The Company has neither allotted any fully paid-up equity share by way of bonus shares, or in pursuant to contract without payment being received in cash nor has bought back any class of equity shares during the period of five year immediately preceding the balance sheet date.

22 Other equity

Particulars	As at	As at
	31 March 2022	31 March 2021
Securities premium	3,983.54	3,983.54
General reserve	708.10	708.10
Retained earnings	7,074.25	6,072.59
Other component of equity	196.87	170.05
	11,962.76	10,934.28

Nature and purpose of reserves:

Securities premium: Securities premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provision of the Companies Act, 2013.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

General reserve: General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer of one component of equity to another.

Retained earnings: Retained earnings represents surplus / accumulated earnings of the Company and are available for distribution to shareholders. Further, it also includes the impact of remeasurements of the defined benefit obligations, net of tax.

Other component of equity: Other component of equity represents fair value of financial guarantee.

23 Borrowings (Non-current)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non current	Current	Non current	Current
Secured :				
Term loans :				
(a) From banks :				
(i) Vehicle loan {refer note (a) to (c)}	2.12	3.13	5.26	5.84
(ii) Other term loan {refer note (d) to (f)}	423.53	427.40	844.76	505.21
(b) From others:				
Vehicle loan {refer note (g)}	13.61	3.77	-	-
Unsecured :				
Term loans :				
(a) From banks {refer note (h)}	-	-	-	14.40
(b) From others {refer note (i)}	-	-	-	3.14
	439.26	434.30	850.02	528.59

Notes:

- (a) Indian rupee vehicle loans from ICICI Bank Limited outstanding of Rs 2.73 lakhs as at 31 March 2022 (31 March 2021: Rs 4.08 lakhs) secured against hypothecation of vehicles is repayable in 60 monthly installments. The loans carry interest ranging from 9.00% p.a. to 9.75% p.a. (31 March 2021: 9.00% p.a. to 9.75% p.a.).
- (b) Indian rupee vehicle loan from Yes Bank Limited outstanding of Rs Nil as at 31 March 2022 (31 March 2021: Rs 2.97 lakhs) secured against hypothecation of the vehicle is repayable in 37 monthly installments. The loan carries an interest of NA (31 March 2021: 9.50% p.a.).
- (c) Indian rupee vehicle loan from Axis Bank Limited outstanding of Rs 2.52 lakhs as at 31 March 2022 (31 March 2021: Rs 4.05 lakhs) secured against hypothecation of the vehicle is repayable in 36 monthly installments. The loan carries an interest of 8.76% p.a. (31 March 2021: 8.76% p.a.).
- (d) Indian rupee term loan from Kotak Mahindra Bank Limited outstanding of Rs 633.08 lakhs as at 31 March 2022 (31 March 2021: Rs 901.23 lakhs) is primarily secured by equitable mortgage of industrial property at plot no. 54, 57, 55 and 56, Verna Industrial Estate, Phase IV, Salcete, Goa. The loan is repayable in 60 monthly installments. The loan carries an interest of K-MCLR 6M + Spread of 1.15% p.a. (31 March 2021: K-MCLR 6M + Spread of 1.15% p.a.). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.
- (e) Indian rupee term loan from Kotak Mahindra Bank Limited under Guaranteed Emergency Credit Line (GECL) under ECLGS scheme outstanding of Rs 178.51 lakhs as at 31 March 2022 (31 March 2021: Rs 216.68 lakhs) is secured by equitable mortgage of industrial property at plot no. 54, 57, 55 and 56, Verna Industrial Estate, Phase IV, Salcete, Goa. The loan is repayable in 48 monthly installments including moratorium of 12 months. The loan carries an interest of 8.00% p.a. (31 March 2021: 8.00% p.a.). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

(f) Indian rupee term loan from State Bank of India outstanding of Rs 39.34 lakhs as at 31 March 2022 (31 March 2021: Rs 232.06 lakhs) is primarily secured by hypothecation charge over inventory, book debts and other movable current assets, present & future at Mumbai and both the Goa plants. The loan is collaterally secured by:

- (i) Commercial Building bearing Survey Number: A2, B1, B2, Ground Floor, situated at Unit No. A-2, B-1, B-2, Ground Floor, Udyog Sadan No. 3, Industrial Computer & Software Premises Co-op. Society Ltd., Near Seepz Bus Stop, Central Road, Seepz, Andheri East, Mumbai, 400093;
- (ii) P & Mat (a) B-1, Udyog Sadan-3 Andheri and (b) S-17/18 Goa;
- (iii) Factory Land & Buildings bearing Survey Number: 30, situated at Plot No. 17 & 18, bearing Survey No. 30, Verna Industrial Estate, Phase I, Village Nagoa, District Salcete, South Goa, Village Nagoa, District Salcete, Goa, 403722;
- (iv) Residential Building bearing Survey Number : 502A and 502B, situated at 502/A and 502/B, Fifth Floor, Heritage, Hiranandani gardens, CTS Nos. 20(pt), 21(pt), 22(pt) and 30(pt), Powai, Mumbai, 400076;
- (v) Commercial Building bearing Survey Number: D-1 & B-3, situated at Unit No. D-1 & B-3, Ground Floor, Udyog Sadan No. 3, Industrial Computer & Software Premises Co-op. Society Ltd., Near Seepz Bus Stop, Central Road, Seepz, Andheri East, Mumbai, 400093;

The loan is repayable in 24 monthly installments including moratorium of 6 months. The loan carries an interest of 1 year MCLR with annual reset (31 March 2021: 1 year MCLR with annual reset). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company and Philins Industrial Corporation.

(g) Indian rupee vehicle loan from Kotak Mahindra Prime Limited outstanding of Rs 17.38 lakhs as at 31 March 2022 (31 March 2021: Rs Nil) secured against hypothecation of vehicle is repayable in 60 monthly installments. The loan carries an interest of 7.72% p.a. (31 March 2021: NA)

(h) Indian rupee term loan from ICICI Bank Limited outstanding of Rs Nil as at 31 March 2022 (31 March 2021: Rs 14.40 lakhs). The loan is unsecured and is repayable in 15 monthly installments. The loan carries an interest of NA (31 March 2021: 16.50% p.a.).

(i) Indian rupee term loan from Tata Capital Financial Services Limited outstanding of Rs Nil as at 31 March 2022 (31 March 2021: Rs 3.14 lakhs). The loan is unsecured and is repayable in 12 monthly installments. The loan carries an interest of NA (31 March 2021: 16.50% p.a.).

Net Debt Reconciliation

Particulars	As at 31 March 2022	As at 31 March 2021
Current borrowings	1,901.37	3,014.94
Non-current borrowings (including current maturities of long-term debts)	873.56	1,378.61
Lease liabilities	127.80	380.10
	2,902.73	4,773.65

Particulars	Current borrowings	Non-Current borrowings	Lease liabilities	Total
Balance as at 31 March 2020	2,166.00	1,144.62	630.29	3,940.91
Cash flows (net)	868.94	217.29	(303.21)	783.03
Interest expense	310.66	132.80	53.02	496.48
Interest paid	(330.66)	(132.94)	-	(463.61)
Other non-cash movements:				
Effective interest rate adjustment	-	16.83	-	16.83
Balance as at 31 March 2021	3,014.94	1,378.61	380.10	4,773.65

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Current borrowings	Non-Current borrowings	Lease liabilities	Total
Cash flows (net)	(1,113.57)	(516.40)	(278.23)	(1,908.20)
Interest expense	174.19	94.04	25.93	294.16
Interest paid	(174.19)	(96.10)	-	(270.30)
Other non-cash movements:				
Effective interest rate adjustment	-	13.42	-	13.42
Balance as at 31 March 2022	1,901.37	873.56	127.80	2,902.73

24 Lease liabilities (refer note 45)

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current	59.57	132.04
Current	68.23	248.06
Total	127.80	380.10

25 Provisions (Non-current)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employees benefits		
Gratuity (refer note 43)	226.23	182.76
Compensated absences (refer note 43)	60.54	46.36
	286.77	229.12

26 Borrowing (Current)

Particulars	As at 31 March 2022	As at 31 March 2021
Secured		
Cash credits from banks(refer note (a) to (d))	1,901.37	3,014.94
Current maturities of long-term borrowings (refer note 23)	434.30	528.59
	2,335.67	3,543.53

Notes:

a) Cash credit facility from Axis Bank Limited outstanding of Rs 43.97 lakhs as at 31 March 2022 (31 March 2021: Rs 248.11 lakhs) carrying interest of Repo + 5.25% (31 March 2021: 3 month MCLR + 2 bps) is repayable on demand. These are secured by hypothecation of entire current assets including stock, raw material, semi-finished goods, consumable stores, receivables, bills, deposits etc. and moveable fixed assets both present and future of the Company in pari passu with other banks. The facility is collaterally secured by exclusive charge on industrial property situated at Plot No. C1, B-71 and C1, B-72, GIDC Industrial Estate, Surat Hazira Road, Ichhpore, Bhatpore, Opp. GAIL Colony, Surat - 394510 and exclusive charge on land and building at Plot No. N-51, 52, 59 & 60, Phase IV, Verna Industrial Estate, Salcete, Goa owned by the Company.

The facility is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

b) Cash credit facility from State Bank of India outstanding of Rs 1,410.27 lakhs as at 31 March 2022 (31 March 2021: Rs 2,696.73 lakhs) carrying interest of 2.75% above 6M MCLR (31 March 2021: 3.5% above 1 year MCLR) is repayable on demand. These are secured by 1st pari passu hypothecation charge over inventory, book debts and other movable current assets, present & future at Mumbai and Goa plants. The facility is collaterally secured by:

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

- i) Equitable / Registered Mortgage of Unit No B-1, Ground Floor, Industrial Computer and Software Premises Co-Op. Soc. Ltd., Udyog Sadan-3, Plot no-F-4+5+6, MIDC, Andheri (E), Mumbai owned by the Company;
- ii) Equitable Mortgage on factory premises at S-17/18, Verna Industrial Estate, Phase-1, Verna Electronic City, Salcete, Goa owned by the Company;
- iii) Hypothecation of all Plant & Machinery, present and future at Mumbai and Goa plants;
- iv) Equitable / Registered Mortgage on Unit No A-2, Ground Floor, Industrial Computer and Software Premises Co-Op. Soc. Ltd., Udyog Sadan No.3, Central Road, Near Seepz Bus Depot, Andheri (E), Mumbai owned by M/s Philins Industrial Corporation;
- v) Equitable / Registered Mortgage of Unit No B-2, D-1, B-3 Ground Floor, Industrial Computer and Software Premises Co-Op. Soc. Ltd., Udyog Sadan No.3, Central Road, Near Seepz Bus Depot, Andheri (E), Mumbai owned by KDU Enterprises Pvt. Ltd.;
- vi) Equitable / Registered Mortgage on 502/A and 502/B, Fifth Floor, Heritage, Hiranandani Gardens, CTS Nos. 20(pt), 21(pt), 22(pt) and 30(pt), Powai, Mumbai - 400076 owned by Mr. Venkatesh Uchil.

The facility is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company and Philins Industrial Corporation.

- c) Cash credit facility from ICICI Bank Limited outstanding of Rs Nil as at 31 March 2022 (31 March 2021: Rs 70.10 lakhs) carrying interest of NA (31 March 2021: I-MCLR 6M + 1.90% p.a.) is repayable on demand. These are secured by first pari-passu hypothecation on firm's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other moveable, including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank. The facility is collaterally secured by equitable mortgage of commercial property at C1 and C2, Udyog Sadan 3, MIDC, Andheri East, Mumbai which is owned by KDU Enterprises Limited, the Holding Company, equitable mortgage of commercial property at Plot No.16, Road No. 9, MIDC, Andheri East, Mumbai which is owned by the Company.

The facility is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

- d) Cash credit facility from Indusind Bank outstanding of Rs 447.13 lakhs as at 31 March 2022 (31 March 2021: Rs Nil) carrying interest of floating rate of 6M CD rate + 5.31% (31 March 2021: NA) is repayable on demand. These are secured by first pari-passu charge on entire current assets of the Company.

The facility is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

- e) The quarterly returns/ statements read with subsequent revisions, if any, filed by the Company with the banks are in agreement with the books of accounts.

27 Trade payables

Particulars	As at	As at
	31 March 2022	31 March 2021
Total outstanding dues to micro and small enterprises (Refer note 42)	81.22	50.42
Total outstanding dues to creditors other than micro and small enterprises*	7,951.76	8,995.94
Total	8,032.98	9,046.36

* For details about related party trade payables, refer note 44.

For trade payables ageing, refer note 53.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

28 Other financial liabilities (Current)

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	4.07	6.14
Lease deposits	20.00	20.00
Employee dues payable	213.02	202.56
Unpaid dividends	0.92	-
Creditors for purchase of property, plant and equipment	305.59	31.59
	543.60	260.29

29 Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Contract liabilities	729.21	1,006.17
Statutory dues payable	84.36	50.63
Other payables	787.59	787.59
	1,601.16	1,844.39

30 Provision (Current)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits:		
Gratuity (Refer note 43)	21.50	22.38
Compensated absences (Refer note 43)	1.29	1.89
	22.79	24.24

31 Current tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for tax (net of advance tax)	151.51	197.39
	151.51	197.39

32 Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from contract with customers:		
Sale of products:		
- Electricals and electronics	30,149.08	16,452.48
- Solar	48.58	1,113.30
	30,197.66	17,565.78
Sale of services:		
- Electricals and electronics	1,864.08	1,714.78
- Solar	181.50	672.72
	2,045.58	2,387.50
Other operating revenues:		
Duty drawback	45.32	34.09
	32,288.56	19,987.37

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Disaggregation of revenue:

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

Revenue by geography:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
- Within India	29,348.06	17,400.53
- Outside India #	2,895.18	2,552.75
	32,243.24	19,953.28

including deemed export of Rs 164.21 lakhs (31 March 2021: Rs 124.42 lakhs)

Revenue by time:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Over a period of time	230.08	1,786.02
At a point in time	32,013.16	18,167.26
	32,243.24	19,953.28

Reconciliation of revenue recognised with contract price:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Contract price	32,243.24	19,953.28
Adjustments for:		
Claims and rebates	-	-
	32,243.24	19,953.28

Trade receivables and contract balances:

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as contract asset.

A receivable is a right to consideration that is unconditional upon passage of time.

The contract assets primarily relate to the Company's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the right become unconditional. Contract assets are presented in note 20.

The contract liabilities primarily relate to the advance consideration received from customers. Contract liabilities are presented in note 29.

Trade receivables are presented net off loss allowance in note 15.

Movement in contract balances:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Movement in contract assets:		
Opening balances as on 1 April	183.48	-
Add: Revenue recognized during the year	-	183.48
Less: Invoiced during the year	(169.02)	-
Closing balance as on 31 March	14.46	183.48
Movement in contract liabilities:		
Opening balances as on 1 April	1,006.17	835.48
Less: Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	(852.71)	(596.44)
Add: Deferred revenue and advance from customers	575.75	767.13
Closing balance as on 31 March	729.21	1,006.17

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

33 Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income on:		
- financial instruments at amortised cost	30.80	31.10
- term deposits	50.92	84.76
- inter corporate loan	14.64	39.86
- advance towards purchase of equity instruments {Refer note 63(b)}	9.73	-
- others	-	0.04
Finance guarantee income	0.45	0.23
Exchange gain (net)	127.02	4.08
Share of profit in a partnership firm	103.90	39.64
Liabilities/ sundry balances written back	60.91	3.67
Allowance for expected credit loss written back	10.00	20.56
Rental income	111.68	92.47
Sale of scrap	4.24	8.23
Insurance claim	9.45	6.85
Sales tax refund	16.27	27.45
Miscellaneous income	0.22	-
	550.23	358.94

34 Cost of materials consumed

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventory of materials at the beginning of the year	2,120.41	2,042.86
Add: Purchases	24,505.54	14,513.31
	26,625.95	16,556.17
Less: Inventory of materials at the end of the year	2,149.44	2,120.41
	24,476.51	14,435.76

35 Changes in inventories of finished goods and work in progress

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the beginning of the year:		
Work in progress	3,738.39	3,539.47
	3,738.39	3,539.47
Inventories at the end of the year:		
Work in progress	3,545.00	3,738.39
	3,545.00	3,738.39
	193.39	(198.92)

36 Employee benefits expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and allowances	1,947.79	1,597.30
Contribution to provident and other funds (Refer note 43)	97.22	75.86
Gratuity (Refer note 43)	54.79	46.48
Compensated absences (Refer note 43)	27.77	2.93
Staff welfare	112.22	41.44
	2,239.79	1,764.01

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

37 Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on:		
- financial instruments at amortised cost	13.42	19.55
- borrowings from banks and others	268.23	443.46
- statutory payments	1.71	21.56
- lease liabilities	25.93	53.02
Bank charges	309.05	208.16
Corporate guarantee fees	26.82	25.90
Other financial charges	0.02	0.91
	645.18	772.56

38 Depreciation and amortization expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment	399.67	362.86
Depreciation on right-of-use assets	279.09	308.77
Depreciation on investment property	60.56	67.73
Amortization on intangible assets	21.01	25.00
	760.33	764.36

39 Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Rent	90.14	27.17
Power and fuel	92.21	63.74
Repair and maintenance		
- plant and machinery	74.90	36.83
- buildings	1.27	1.35
Vehicle running expense	21.92	13.73
Rates and taxes	41.74	41.88
Insurance	27.58	25.77
Liquidation damages	208.92	150.26
Inspection charges	184.20	86.33
Commissioning expenses	295.38	175.31
Clearing and forwarding charges	546.67	280.85
Traveling and conveyance	130.80	100.79
Postage and communication	37.94	30.51
Legal and professional fees	553.67	429.06
Payment to auditors (Refer note below)	15.37	19.03
Contribution towards Corporate Social Responsibility (Refer note 49)	15.85	21.40
Director sitting fees	5.55	5.00
Share of loss in a jointly controlled entity	2.42	0.13
Housekeeping and security charges	63.86	49.51
Printing and stationery	31.49	23.84
Sales promotion and advertisement expenses	40.53	14.70
Sundry balances written off	8.59	51.73
Bad debts written off	85.85	38.76
Allowance for expected credit loss	5.05	-
Loss on sale of property, plant and equipment (net)	85.34	-
Miscellaneous expenses	92.64	35.04
	2,759.88	1,722.72

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Note:

Payment to auditors comprise:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
To statutory auditor:		
- for audit	11.75	16.25
- for limited review	3.50	2.50
- for certification	0.10	0.15
- for reimbursement of expenses	0.02	0.13
	15.37	19.03

40. Income tax

The major components of income tax expense for the year ended 31 March 2022 and 31 March 2021 are :

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Statement of profit and loss section		
Current income tax :		
Current income tax charge	535.56	249.00
Adjustment in respect of tax for earlier years	56.73	-
Deferred tax charge/(credit) :		
Relating to origination and reversal of temporary differences	(75.22)	53.97
Income tax expense reported in the statement of profit and loss	517.07	302.97
Other comprehensive income section		
Income tax relating to items that will not be reclassified to profit or loss	(0.12)	(5.59)
	517.19	308.56
Reconciliation of tax expense and the accounting profit		
Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Accounting profit before tax	1,763.71	1,085.82
Computed tax expense :	443.89	273.28
At statutory income tax rate of 25.168% (31 March 2021 : 25.168%)		
Adjustments for :		
Amounts which are non-deductible in calculating taxable income	5.80	17.79
Expenses deductible for tax purpose	(8.43)	(10.04)
Income which is exempt for tax purpose	(25.72)	(10.80)
Effect of difference in tax rate	8.68	-
Adjustment in respect of tax for earlier years	56.73	-
Others	36.25	38.33
At the effective income tax rate	517.19	308.56
Income tax expense reported in statement of profit and loss	517.19	308.56

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Deferred tax relates to the following

Particulars	Balance sheet		Statement of profit and loss	
	As at 31 March 2022	As at 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Provision allowed under tax on payment basis	99.12	82.61	16.51	1.47
Share issue expenses allowable u/s 35D of the Income-tax Act, 1961	10.04	20.08	(10.04)	(10.05)
Measurement of financial assets and liabilities at amortised cost, net	27.12	20.32	6.80	(3.82)
Ind AS 116 - "Leases"	38.62	38.31	0.31	6.36
Ind AS 115 - "Revenue from contracts with customers"	(4.42)	(30.66)	26.24	(62.11)
Others	2.52	2.64	(0.12)	(5.68)
Accelerated depreciation for tax purpose	(73.75)	(109.15)	35.40	14.27
Net deferred tax expense / (income)			75.10	(59.56)
Net deferred tax assets / (liabilities)	99.25	24.15		

Reflected in the balance sheet as follows

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities	(78.17)	(139.82)
Deferred tax assets	177.42	163.97
Deferred tax assets / (liabilities), net	99.25	24.15

Reconciliation of deferred tax (liabilities) / assets, net

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance as on April 1	24.15	83.71
Tax (income) / expense during the year recognised in statement of profit and loss	(75.22)	53.97
Tax (income) / expense during the year recognised in other comprehensive income	0.12	5.59
Closing balance	99.25	24.15

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

41. Earnings per share

The following table set forth the computation of basic and dilutive earnings per share:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net profit for the year attributable to equity shareholders	1,246.64	782.85
Weighted average number of shares	12,26,65,250	12,26,65,250
Earnings per equity share* [Face value of Rs. 2 each] (Rupees)	1.02	0.64

* Basic and diluted earnings per share during the current year are same as the Company has no potentially dilutive equity shares outstanding as at the year end.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Reconciliation of shares used in computing earnings per share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
No. of equity shares at the beginning of the year *	12,26,65,250	12,26,65,250
Add: Shares issued during the year	-	-
Less: Shares bought back during the year	-	-
No. of equity shares at the end of the year	<u>12,26,65,250</u>	<u>12,26,65,20</u>
Weighted average number of equity shares of Rs. 2 each used for calculation of basic and diluted earnings per share	12,26,65,250	12,26,65,250

* The equity shares of the Company, during the previous year, have been sub-divided from existing face value of Rs 10 per equity share to face value of Rs 2 per equity share based on approval by the shareholders through postal ballot resolution on 04 February 2021. Accordingly, basic and diluted earnings per equity share for previous year have been computed on the basis of new number of equity shares.

42. Dues to micro, small and medium enterprises

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Principal amount remaining unpaid	81.22	50.42
Interest accrued and due thereon remaining unpaid	-	-
Interest paid by the Company in terms of section 16 of MSMED Act 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payables for the period of delay in making payment (which has been paid but beyond the appointed day during the year), but without adding the interest specified under MSMED Act, 2006.	-	-
Interest accrued and remaining unpaid as at the end of the year	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

There are no amounts of interest paid during the year for payments made beyond the appointed day. Also, there is no amount of interest accrued and remaining unpaid as at period end for principal amount outstanding beyond the appointed day.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

42. Employee benefits

(i) Defined contribution plans:

The Company makes contributions, determined as a specified percentage of employees salaries, in respect of qualifying employees towards provident fund, employees state insurance scheme and labour welfare scheme, which are defined contribution plans. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to provident and other funds for the year aggregated to Rs. 97.22 lakhs (31 March 2021 : Rs 75.86 lakhs).

(ii) Defined benefit plans:

The Company operates an unfunded post-employment defined benefit plan that provides for gratuity benefit. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive gratuity at 15 days salary (salary last drawn) for each completed years of service at the time of retirement / exit.

The Company determines the gratuity liability based on the actuarial valuation using Projected Unit Credit Method by an Independent firm of Actuaries that is registered with The Institute of Actuaries of India.

The following table summarizes the position of obligation relating to gratuity plan:

Reconciliation of Defined Benefit Obligation (DBO)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Present value of DBO at start of the year	205.14	190.10
Current service cost	40.64	35.76
Interest cost	14.15	12.55
Benefits paid	(11.73)	(11.06)
<i>Re-measurements</i>		
Actuarial loss / (gain) from changes in financial assumptions	(8.20)	(7.39)
Actuarial loss / (gain) from experience over the past year	7.73	(14.82)
Present value of DBO at end of the year	247.73	205.14

Net Liability / (Asset) recognised in the Balance Sheet

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Present value of DBO	247.73	205.14
Fair value of plan assets	-	-
Liability / (Asset) recognised in the Balance Sheet	247.73	205.14

Expense recognised in the statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	40.64	35.76
Net interest on net defined benefit liability / (asset)	14.15	12.55
Total	54.79	48.31

Income / (Loss) recognised in other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial (loss) / gain from changes in financial assumptions	8.20	7.39
Actuarial (loss) / gain from experience over the past year	(7.73)	14.82
Total income / (loss)	0.47	22.21

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Actuarial assumptions

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salary growth rate	8% p.a.	8% p.a.
Discount rate	7.2% p.a.	6.9% p.a.
Interest rate on Net DBO	6.9% p.a.	6.6% p.a.
Withdrawal rate	2% p.a.	2% p.a.
Mortality rates	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Weighted average duration of the obligation	12 years	12 years

Experience adjustments

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Defined benefit obligation	247.73	205.14
Funded Status [Surplus/ (Deficit)]	(247.73)	(205.14)
Exp. Adj. on plan liabilities: (gain) / loss	7.73	(14.82)
Exp. Adj. on plan assets: gain / (loss)	NA	NA

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

Particulars	For the year ended 31 March 2022	
	Increases 1%	Decreases 1%
Salary growth rate	DBO increases by Rs 28.64 lakhs	DBO decreases by Rs. 24.48 lakhs
Discount rate	DBO decreases by Rs 24.44 lakhs	DBO increases by Rs 29.16 lakhs
Withdrawal rate	DBO decreases by Rs 2.58 lakhs	DBO increases by Rs 2.83 lakhs
Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs 0.03 lakhs	NA
Mortality (increase in expected lifetime by 3 years)	DBO increases by Rs 0.09 lakhs	NA

Particulars	For the year ended 31 March 2021	
	Increases 1%	Decreases 1%
Salary growth rate	DBO increases by Rs 25.78 lakhs	DBO decreases by Rs. 21.85 lakhs
Discount rate	DBO decreases by Rs 21.87 lakhs	DBO increases by Rs 26.34 lakhs
Withdrawal rate	DBO decreases by Rs 2.90 lakhs	DBO increases by Rs 3.23 lakhs
Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs 0.04 lakhs	NA
Mortality (increase in expected lifetime by 3 years)	DBO increases by Rs 0.11 lakhs	NA

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

Risk exposures:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

(A) Salary Increases: Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

(B) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

(C) Withdrawals: Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

(D) Mortality & disability: Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

(iii) Other long-term employee benefits:

Compensated absences

The compensated absences cover the company's liability for earned leave.

The Company has recognised an amount of Rs. 27.77 lakhs (31 March 2021: Rs. 2.93 lakhs) as an expense towards compensated absences and included in "Employee benefits expense" in the Statement of Profit and Loss. The Company has determined the liability for compensated absences based on the actuarial valuation using Projected Unit Credit Method.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

44 Related party disclosures

A) Name of related parties

(I) Holding Company

KDU Enterprises Private Limited

(II) Other related parties

(a) Subsidiary companies / step down subsidiary

Eltech Engineers Madras Private Limited

Evigo Charging Consultants Private Limited (w.e.f. 09 October 2020)

MEL Power Systems FZC

STI SRL, a subsidiary company of MEL Power Systems FZC

(b) Partnership firm in which Company is partner

Narhari Engineering Works

(c) Jointly controlled entity

Automatic Electronic Controls Manufacturing Co.

(d) Partnership firms in which directors are partners*

DKM Precision Engineers

Philins Industrial Corporation

(e) Enterprises in which directors have significant influence*

KDU Marine Equipment Trading and Maintenance LLC

KDU Worldwide Technical Services FZC

KDU Worldwide Technical Services Ghana Private Limited

Mcgeoch Marine Electricals Private Limited

Switch N Control Gears Private Limited

(III) Key management personnel and relatives

(a) Whole-time directors

Mr. Vinay Uchil, Chairman and Executive Director

Mr. Venkatesh Uchil, Managing Director

(b) Non-whole-time directors

Mr. Madan Pendse, Non Executive Independent Director

Mr. Shailendra Shukla, Non Executive Non Independent Director

Mr. Nikunj Mishra, Non Executive Independent Director

Mr. Vikas Jaywant, Non Executive Independent Director

Mr. Mohan Rao, Non Executive Independent Director (w.e.f. 30 May 2020)

Ms. Tanuja Pudhierkar, Non Executive Non Independent Director

Ms. Archana Rajagopalan, Non Executive Independent Director (w.e.f. 23 February 2021)

(c) Executive officers

Mr. Aditya Desai, Chief Financial Officer (upto 23 June 2020)

Ms. Namita Sethia, Chief Financial Officer (w.e.f. 30 July 2020)

Ms. Reesha Ratanpal, Company Secretary (upto 25 February 2021)

Ms. Mitali Ambre, Company Secretary (w.e.f. 27 February 2021)

(d) Relatives

Ms. Rashmi Uchil, Wife of Mr. Vinay Uchil

Ms. Reshma Uchil, Wife of Mr. Venkatesh Uchil

* Restricted to entities with whom the Company has transactions during the reporting years or balances as at the end of reporting years.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

B) Related party transactions during the year

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Lease rent payment		
KDU Enterprises Private Limited	277.89	230.10
Philins Industrial Corporation	35.40	35.40
Ms. Rashmi Uchil	9.00	7.20
b) Rental income		
Switch N Control Gears Private Limited	12.74	-
c) Interest income on inter corporate loan		
Eltech Engineers Madras Private Limited	-	5.00
d) Professional fees		
Ms. Rashmi Uchil	4.50	7.20
Switch N Control Gears Private Limited	50.14	54.16
e) Share in profit/ (loss) of partnership firm / jointly controlled entity		
Narhari Engineering Works	103.90	39.64
Automatic Electronic Controls Manufacturing Co.	(2.42)	(0.13)
f) Finance guarantee income		
Narhari Engineering Works	0.45	0.23
g) Purchases		
Eltech Engineers Madras Private Limited	-	21.56
KDU Enterprises Private Limited	113.42	98.49
KDU Marine Equipment Trading and Maintenance LLC	0.50	7.29
MEL Power Systems FZC	115.55	124.55
Narhari Engineering Works	-	0.47
Philins Industrial Corporation	4.77	8.98
Switch N Control Gears Private Limited	126.37	32.56
STI SRL	52.38	38.95
h) Sales		
Mcgeoch Marine Electricals Private Limited	82.41	55.08
MEL Power Systems FZC	123.46	603.79
KDU Enterprises Private Limited	-	114.83
KDU Marine Equipment Trading and Maintenance LLC	39.41	84.26
Switch N Control Gears Private Limited	-	21.58
Evigo Charging Consultant Private Limited	18.07	-
i) Advance paid to suppliers		
Eltech Engineers Madras Private Limited	22.17	-
Evigo Charging Consultant Private Limited	-	7.15
j) Advance to suppliers received back		
Mcgeoch Marine Electricals Private Limited	18.07	-
Philins Industrial Corporation	23.98	-
DKM Precision Engineers	300.00	-
Evigo Charging Consultant Private Limited	-	7.15

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
k) Capital withdrawal		
Automatic Electronic Controls Manufacturing Co.	0.34	-
Narhari Engineering Works	346.00	-
l) Investment in equity instruments of subsidiary		
Evigo Charging Consultant Private Limited	-	2.84
m) Investment in preference instruments of subsidiary		
Evigo Charging Consultant Private Limited	50.38	18.66
n) Purchase of intellectual property		
Eltech Engineers Madras Private Limited	60.20	-
o) Sale of intellectual property		
Switch N Control Gears Private Limited	60.20	-
p) Loan repaid		
Eltech Engineers Madras Private Limited	50.00	-
q) Interest on loan repaid		
Eltech Engineers Madras Private Limited	12.87	-
r) Corporate guarantee fees		
KDU Enterprises Private Limited	26.82	25.90
s) Bad debts written off		
KDU Worldwide Technical Services Ghana Private Limited	5.81	-
t) Transactions with key management personnel and relatives		
Salaries and other employee benefits to whole-time directors, executive officers and relatives *	152.19	129.76
Director sitting fees to non-executive / independent directors	5.55	5.00

* As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel is not ascertainable and therefore not included above.

Note:

Amounts of transactions during the year pertaining to statement of profit and loss are gross of taxes, wherever applicable.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

C) Outstanding balances as at year end

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Loan receivable		
Eltech Engineers Madras Private Limited	-	50.00
b) Interest receivable on loan		
Eltech Engineers Madras Private Limited	-	12.87
c) Trade receivables		
DKM Precision Engineers	19.16	43.66
KDU Enterprises Private Limited	-	55.11
KDU Marine Equipment Trading and Maintenance LLC	61.33	91.30
KDU Worldwide Technical Services Ghana Private Limited	45.58	50.99
MEL Power Systems FZC	40.24	5.96
Mcgeoch Marine Electricals Private Limited	46.19	77.01
Evigo Charging Consultant Private Limited	18.07	-
Switch N Control Gears Private Limited	32.38	-
d) Advance to suppliers		
DKM Precision Engineers	-	300.00
Eltech Engineers Madras Private Limited	128.34	106.17
Mcgeoch Marine Electricals Private Limited	-	18.07
Philins Industrial Corporation	-	23.98
Switch N Control Gears Private Limited	-	30.12
STI SRL	267.97	267.97
e) Trade payables		
Eltech Engineers Madras Private Limited	-	0.08
KDU Enterprises Private Limited	34.73	17.20
KDU Marine Equipment Trading and Maintenance LLC	0.51	10.11
KDU Worldwide Technical Services FZC	-	15.23
Philins Industrial Corporation	-	4.90
MEL Power Systems FZC	41.44	45.42
STI SRL	8.51	45.72
f) Lease deposits		
KDU Enterprises Private Limited	285.93	260.61
Philins Industrial Corporation	45.51	40.91
Ms. Rashmi Uchil	7.04	6.33
g) Investment in equity instruments of subsidiaries		
Eltech Engineers Madras Private Limited	2.10	2.10
MEL Power Systems FZC	19.38	19.38
Evigo Charging Consultants Private Limited	2.84	2.84
h) Investment in preference instruments of subsidiary		
Evigo Charging Consultants Private Limited	69.04	18.66
i) Investment in capital of partnership firm		
Narhari Engineering Works	826.10	1,067.75
j) Investment in capital of jointly controlled entity		
Automatic Electronic Controls Manufacturing Co.	-	2.76
k) Payables to key management personnel and relatives		
Salaries and other employee benefits to whole-time directors, executive officers and relatives *	1.62	15.62
Director sitting fees to non-executive / independent directors	0.95	0.93

* As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel is not ascertainable and therefore not included above.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

45. Leases

The following is the break-up of lease liabilities as at reporting date

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Non-current	59.57	132.04
Current	68.23	248.06
Total	127.80	380.10

The following is the movement of lease liabilities

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the start of the year	380.10	630.29
Lease rent payment	(278.23)	(303.21)
Finance cost incurred	25.93	53.02
Balance at the end of the year	127.80	380.10

Amount recognized in statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on lease liabilities	25.93	53.02
Depreciation on right-of-use assets	279.09	308.77
Expense relating to short-term leases and low value assets	90.14	27.17
	395.16	388.96

The maturity analysis of lease liabilities is disclosed in Note 47.

46 Segment information

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker ("CODM"), in deciding how to allocate resources and assessing performance. The Board of Directors of the Company are identified as the CODM. Based on the nature of products and services, the risk and return profile of individual business and the internal business reporting systems, the Company has identified its reportable segments as under:

- Electricals and Electronics
- Solar

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Segment revenue		
(a) Electricals and Electronics	32,058.48	18,201.35
(b) Solar	230.08	1,786.02
Revenue from operations	32,288.56	19,987.37
B. Segment results		
(a) Electricals and Electronics	2,459.11	2,041.16
(b) Solar	(393.38)	(488.17)
Total	2,065.73	1,552.99
Less: Finance costs	(645.18)	(772.56)
Add: Other unallocable income net of unallocable expenses	343.16	305.38
Profit before tax	1,763.71	1,085.82

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Assets and liabilities used in the Company's business are not identified to any of the reportable segments as these are used interchangeably between segments. The Company believes that it is currently not practicable to provide segmental disclosure relating to total assets and liabilities since a meaningful segregation of the available data could be onerous.

Information about major customers

There are 2 (31 March 2021: Nil) customers contributing in excess of 10% of the total revenue of the Company amounting to Rs 10,665.29 lakhs for the year ended 31 March 2022 (31 March 2021: Nil).

47. Financial instruments

The classification of each category of financial instruments and their carrying amounts are as below:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Financial assets measured at amortized cost:		
Trade receivables ^	11,915.54	12,705.03
Cash and cash equivalents ^	23.64	89.40
Bank balances other than cash and cash equivalents ^	744.16	916.60
Loans ^	254.79	335.79
Other financial assets ^	788.39	729.89
Total financial assets	13,726.52	14,776.72
Financial liabilities measured at amortized cost:		
Borrowings ^	2,774.93	4,393.55
Lease liabilities ^	127.80	380.10
Trade payables ^	8,032.98	9,046.36
Other financial liabilities ^	543.60	260.29
Total financial liabilities	11,479.31	14,080.30

There are no financial instruments that have been classified as Fair Value through Profit and Loss (FVTPL) and Fair Value through Other Comprehensive Income (FVTOCI).

^ Fair values for these financial instruments have not been disclosed because their carrying amount are a reasonable approximation of their fair values.

Fair value hierarchy

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Financial instruments - risk management

The Company has exposure to the following risks arising from financial instruments: credit risk (refer note (b) below); liquidity risk (refer note (c) below) and market risk (refer note (d) below):

(a) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

The Company's board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(b) Credit risk

Credit risk is the risk that a counter party fails to discharge its obligation to the Company. The maximum credit risk comprises the carrying amounts of the financial assets. The Company's exposure to credit risk arises mainly from cash and cash equivalents, other bank balances, trade receivables, loans and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

(i) Credit risk management

Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

Credit rating	Particulars	As at 31 March 2022	As at 31 March 2021
A: Low credit risk	Cash and cash equivalents, other bank balances, trade receivables, loans and other financial assets.	13,726.52	14,776.72

(ii) Credit risk exposure

Cash and cash equivalents and other bank balances

Credit risk related to cash and cash equivalents and other bank balances is managed by accepting highly rated banks and diversifying bank deposits and accounts in different banks. Management does not expect any losses from non-performance by these counter parties.

Loans and other financial assets measured at amortized cost

Loans and other financial assets measured at amortized cost includes lease deposits, staff advances, interest accrued on deposits, loans and other receivables. Credit risk related to these is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensures that amounts are within defined limits. The expected credit loss on these financial instruments is expected to be insignificant.

Trade receivables

Credit risk arise from possibility that customer may default on its obligation to make timely payments, resulting into financial loss. The maximum exposure to the credit risk is primarily from trade receivables. The expected credit loss allowance is based on the ageing of the days for which the receivables are due and the expected loss rates.

Reconciliation of allowance for expected credit loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	131.92	175.05
Change in allowance for expected credit loss:		
Changes in allowance for expected credit loss due to bad debts	-	(22.57)
Allowance for expected credit loss written back (net)	(4.95)	(20.56)
	(4.95)	(43.13)
Closing balance	126.97	131.92

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time. The Company's primary sources of liquidity are cash generated from operations. The cash flows from operating activities are driven primarily by operating results and changes in the working capital requirements.

The Company believe that its liquidity position is adequate to fund the operating and investing needs and to provide with flexibility to respond to further changes in the business environment.

Maturities of financial liabilities

Particulars	Carrying amount	Total	On demand	0–12 months	1–5 years	>5 years
As at 31 March 2022						
Borrowings	2,774.93	2,784.22	1,901.37	434.30	448.55	-
Lease liabilities	127.80	195.05	-	81.72	37.98	75.36
Trade payables	8,032.98	8,032.98	-	8,032.98	-	-
Other financial liabilities	543.60	543.60	20.92	522.68	-	-
Total	11,479.31	11,555.85	1,922.29	9,071.68	486.53	75.36

Particulars	Carrying amount	Total	On demand	0–12 months	1–5 years	>5 years
As at 31 March 2021						
Borrowings	4,393.55	4,448.55	3,014.94	528.59	905.02	-
Lease liabilities	380.10	469.05	-	273.99	111.48	83.58
Trade payables	9,046.36	9,046.36	-	9,046.36	-	-
Other financial liabilities	260.29	260.29	20.00	240.29	-	-
Total	14,080.30	14,224.25	3,034.94	10,089.23	1,016.50	83.58

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Foreign currency risk

The transactions of the Company are denominated in both Indian rupees and foreign currencies and accordingly, the Company is exposed to foreign exchange risk in relation to operating activities (when revenue or expense is denominated in a foreign currency) arising from foreign currency transactions.

Foreign currency risk exposure

Particulars of unhedged foreign currency exposure :

Particulars	As at 31 March 2022		As at 31 March 2021		
	Amount in Foreign Currency	Amount equivalent in Rs. Lakhs	Amount in Foreign Currency	Amount equivalent in Rs. Lakhs	
Foreign currency receivables					
- representing advances	USD	21,78,566	1,630.43	12,15,401	887.97
	EURO	32,388	26.91	14,000	11.90
	NOK*	-	-	13,580	1.15
- representing trade receivables	USD	6,02,322	451.56	7,36,340	537.97
	EURO	46,415	38.57	64,303	54.64
Foreign currency payable					
representing trade payables	AED*	9,993	2.12	7,378	1.51
	USD	5,18,137	396.22	12,46,330	921.16
	EURO	7,78,670	669.11	4,40,872	384.00
	GBP*	7,767	7.84	-	-
- representing advances	USD	1,16,007	88.71	1,25,763	92.95
Foreign currency notes					
	EURO	75	0.06	75	0.06
	USD	322	0.24	560	0.41

* The Company does not expect any change in the exchange rate of AED / NOK / GBP and INR, resulting into any significant impact to the financial numbers.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Sensitivity to risk

Particulars	Impact of profit - Increase / (decrease)	
	As at 31 March 2022	As at 31 March 2021
USD Sensitivity		
INR/USD - Increase by 5% (31 March 2021-5%)	79.87	20.61
INR/USD - Decrease by 5% (31 March 2021 - 5%)	(79.87)	(20.61)
Euro Sensitivity		
INR/EURO - Increase by 5% (31 March 2021 - 5%)	(30.18)	(15.87)
INR/EURO - Decrease by 5% (31 March 2021 - 5%)	30.18	15.87

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to market risk for changes in interest rates primarily relates to borrowings.

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate borrowings	2,573.79	4,148.23
Fixed rate borrowings	201.14	245.32
Total borrowings	2,774.93	4,393.55

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Particulars	Impact on profit - Increase / (decrease)	
	100 bp increase	100 bp decrease
Variable rate instrument as at 31 March 2022	(25.74)	25.74
Variable rate instrument as at 31 March 2021	(41.48)	41.48

48 Capital management

The funding requirements of the Company are met through a mixture of equity shares and borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through optimisation of debt and equity balance.

The Adjusted net debt to total equity ratio at the end of the reporting period was as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Total borrowings	2,774.93	4,393.55
Lease liabilities	127.80	380.10
Less: Cash and cash equivalent and other bank balances	(767.80)	(1,006.00)
Adjusted net debt	2,134.93	3,767.64
Total equity	14,416.07	13,387.59
Adjusted net debt to total equity ratio	0.15	0.28

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

49 Corporate social responsibility ("CSR")

The Company is covered by the provisions of section 135 of the Act. The details of gross amount required to be spent and amount actually spent by the Company is as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
i) Gross amount required to be spent by the Company during the year	14.76	17.35
ii) Amount spent on:		
a) Construction / acquisition of assets	-	-
b) On purpose other than (a) above	15.85	21.40
iii) Nature of CSR activities	Eradicating hunger, poverty and malnutrition, promoting education, creating health infrastructure for Covid care, promoting of healthcare including preventive healthcare and disaster management Covid-19.	
iv) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
v) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

There was no amount unspent for the year ended 31 March, 2022 and 31 March 2021.

50 Contingent liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
a. Guarantees given by Company's bankers		
(i) Bank guarantee against advance and liquidated damages given to customers (net of liabilities accounted for) reduced by an amount of Rs 994.48 lakhs (31 March 2021: Rs 794.09 lakhs) towards the counter bank guarantee received from sub-contractors	2,655.76	2,137.72
(ii) Other bank guarantees provided under contractual / legal obligations reduced by an amount of Rs 172.37 lakhs (31 March 2021: Rs Nil) towards the counter bank guarantee received from sub-contractors	3,811.43	5,142.60
(iii) Foreign bank guarantees	728.31	1,447.85
b. Corporate guarantee given by the Company	225.00	215.00
c. Letter of credit opened in favour of suppliers	815.31	832.10
d. Bills discounted with bank	1,142.36	357.67
e. Disputed tax liabilities in respect of pending cases before appellate authorities [amount deposited under protest Rs Nil (31 March 2021: Rs Nil)] {refer note (I)}	92.48	102.96
f. Custom duty [amount deposited under protest Rs 65.00 lakhs (31 March 2021: Rs 65.00 lakhs)] {Refer note (ii)}	132.62	132.62

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Notes :

(i) The various disputed tax litigations are as under :

Particulars	Period to which it relates	As at	
		31 March 2021	31 March 2020
a. Income Tax			
Disallowances / additions / demand raised by the income tax department pending before various appellate authorities	AY 13-14 to AY 16-17 and AY 18-19 (31 March 2021: AY 13-14 to AY 16-17)	18.90	31.84
b. Sales Tax / VAT			
Demands raised by Sales tax / VAT department pending before various appellate authorities	FY 09-10 and FY 16-17 (31 March 2021: FY 09-10 and FY 16-17)	71.12	71.12
c. Goods & Service Tax			
Demands raised by GST department pending before various appellate authorities	FY 17-18 (31 March 2021: NA)	2.46	-
		92.48	102.96

The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the standalone financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(ii) The Company has received a demand order dated 31.08.2020 from the office of The Commissioner of Customs raising a demand of Rs 120.62 lakhs on the Company u/s 28(8) of the Customs Act, 1962 read with section 5(1) of IGST Act, 2017 with regards to classification under incorrect CTH of copper busbar imported by the Company during the period from 13.08.2014 to 30.10.2018. The order also imposes a penalty of Rs 12 lakhs on the Company and interest u/s 28AA of the Customs Act, 1962. The amount disclosed above is exclusive of interest as the same is not currently quantifiable. The Company has filed an appeal against the said order on 23.10.2020. Based on the legal opinion obtained by the Company from an independent firm of advocates, the management believes that the ultimate outcome of the proceedings will not have an adverse effect on the Company's financial position.

(iii) The Company in the year 2017 was awarded a contract for setting up a 50 MW capacity solar power project (the "Project") in Tamilnadu. The Company subcontracted the EPC portion to a sub-contractor. The obligations of the sub-contractor for the project were not completely fulfilled by the sub-contractor leading to dispute and arbitration between the Company and the sub-contractor. Both the parties have filed Statement of Defence and Counterclaim against each other. The matter is pending before arbitrator for cross examination. Pending arbitration, the impact of the outcome of the proceedings on these financial statements of the Company is currently not ascertainable.

(iv) During the year, the Company has received summons under section 70 of Central Goods and Services Tax Act, 2017 for making inquiry and seeking production of documents in respect of certain invoices, bank guarantee invocation and write backs alongwith details of payments during the period from July 2017 to March 2021. During the year, the Company has made payment of Rs 160.31 lakhs under protest. The Company has submitted details / documents with the authorities. Pending assessment, the Company has shown the above payment under balance with government authorities.

(v) The Supreme court of India had passed a judgement in the month of February 2019 relating to definition of wages under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Management is of the view that there are interpretative challenges on the application of the judgement. However, the Company is in the process of determining the possible impact and update its provision, if required. The Management does not expect any material impact of the same for financial year 2021-22 based on the present salary structure followed by the Company for its class of employees.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

51 Capital and other commitments:

Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)

Particulars	As at 31 March 2022	As at 31 March 2021
Property, plant and equipment	343.62	624.37

52 Trade receivable ageing:

Ageing for trade receivables - current outstanding as at 31 March 2022

Particulars	Non- Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed trade receivable - considered good	7,077.11	3,528.74	567.19	244.63	137.47	373.49	11,928.63
Undisputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivable - credit impaired	-	-	-	-	-	-	-
Disputed trade receivable - considered good	-	-	-	-	-	95.38	95.38
Disputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivable - credit impaired	-	-	-	-	-	-	-
Total	7,077.11	3,528.74	567.19	244.63	137.47	468.87	12,024.01
Less: Allowance for expected credit loss							108.47
Total trade receivables							11,915.54

Ageing for trade receivables - current outstanding as at 31 March 2021

Particulars	Non- Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed trade receivable - considered good	6,434.85	5,303.18	171.24	295.00	194.24	314.56	12,713.07
Undisputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivable - credit impaired	-	-	-	-	-	-	-
Disputed trade receivable - considered good	-	-	-	-	7.20	88.18	95.38
Disputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivable - credit impaired	-	-	-	-	-	-	-
Total	6,434.85	5,303.18	171.24	295.00	201.44	402.74	12,808.45
Less: Allowance for expected credit loss							103.42
Total trade receivables							12,705.03

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

53 Trade payable ageing:

Ageing for trade payables - current outstanding as at 31 March 2022

Particulars	Non- Due	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	81.22	-	-	-	81.22
Others	-	7,549.57	26.97	20.10	173.27	7,769.91
Disputed dues -MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	104.37	104.37
Total	-	7,630.79	26.97	20.10	277.64	7,955.50
Add: Accrued expenses						77.48
Total trade payables						8,032.98

Ageing for trade payable outstanding as at 31 March 2021

Particulars	Non- Due	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	50.42	-	-	-	50.42
Others	-	8,284.47	242.25	235.33	104.42	8,866.48
Disputed dues -MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	104.37	104.37
Total	-	8,334.89	242.25	235.33	208.79	9,021.27
Add: Accrued expenses						25.09
Total trade payables						9,046.35

54 Capital work in progress ageing

Particulars	Amount in Capital work in progress for a period of				
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
Project in progress	198.79	-	-	-	198.79
Total	198.79	-	-	-	198.79

Particulars	Amount in Capital work in progress for a period of				
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
Project in progress	-	-	-	-	-
Total	-	-	-	-	-

Note:

There is no project under Capital work in progress ageing whose completion is overdue or has exceeded its cost compared to its original plan.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

55 Ratios

Sr. No.	Ratios	Numerator	Denominator	31 March 2022	31 March 2021	% Change from 31 March 2021 to 31 March 2022	Explanation for change in the ratio by more than 25% as compared to the ratio of preceding year
1	Current ratio (in times)	Current assets	Current liabilities	1.69	1.58	7.02%	NA
2	Debt - Equity ratio (in times)	Total debt	Shareholder's equity	0.19	0.33	-41.35%	Variation is primarily due to lesser utilisation of cash credit limit during the year.
3	Debt Service Coverage ratio (in times)	Earnings available for debt service (refer note (i) below)	Debt service (refer note (ii) below)	2.58	2.14	20.50%	NA
4	Return on Equity ("ROE") (in %)	Net profits after taxes - Preference dividend	Average shareholder's equity	8.97%	6.03%	2.93%	NA
5	Inventory Turnover Ratio (in times)	Cost of goods sold	Average inventory	4.27	2.49	71.60%	Variation is primarily due to increase in purchases during the year.
6	Trade receivables turnover ratio (in times)	Net sales	Average accounts receivable	2.62	1.61	63.10%	Variation is primarily due to increase in sales during the year.
7	Trade payables turnover ratio (in times)	Total purchases	Average accounts payable	2.87	1.43	100.03%	Variation is primarily due to increase in purchases during the year.
8	Net capital turnover ratio (in times)	Net sales	Working capital	3.68	2.29	61.15%	Variation is primarily due to increase in sales during the year.
9	Net profit ratio (in %)	Net profit after tax	Net sales	3.87%	3.92%	-0.06%	NA
10	Return on capital employed (in %)	Earning before interest and taxes	Capital employed (refer note (iii) below)	14.05	10.49%	3.56%	NA
11	Return on investment (in %)	Profit before tax	Total assets	6.31%	3.65%	2.66%	NA

Note:

- (i) Earnings available for debt service = Net profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Finance costs + Other adjustments like loss on sale of fixed assets, bad debts/sundry balances written off/written back, allowance for expected credit loss written off/written back etc.
- (ii) Debt service = Interest & lease payments + Principal repayments
- (iii) Capital employed = Tangible net worth + Total debt + Deferred tax liability

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

56 Subsequent events

There are no significant reportable subsequent events that have occurred after the reporting period till the date of this financial statements.

57 Other statutory information

- i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
 - ii) The Company is not declared wilful defaulter by any bank or Financial institution or other lender during the year.
 - iii) The Company does not have any transactions with companies struck off.
 - iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
 - v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
 - vi) 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:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - viii) The Company does not have not any 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
 - ix) The Company has not taken any funds from any entity or persons on account of or to meet the obligations of its subsidiaries or joint venture (as defined under the act). The Company does not hold any investment in any associates (as defined under the Act) during the year ended 31 March 2022.
- 58** In the opinion of the board of directors, assets, loans and advances have a value on realization in the ordinary course of the business at least equal to the amounts at which they are stated and provision for all known liabilities have been made.
- 59** The Company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses as at 31 March 2022.
- 60** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 61 Estimation uncertainty relating to the global health pandemic on COVID-19**
- The Company has evaluated the possible impact of this pandemic on the business operations and the financial position of the Company and based on its assessment, believes that there is no significant impact on the financial statements of the Company, as at and for the year ended 31 March 2022. The Company has carried out this

NOTES TO THE STANDALONE FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

62 The Company during financial year 2017-18 paid to a supplier in China an advance of USD 8,00,000 carried at Rs 584.48 lakhs as at 31 March 2022 (31 March 2021: USD 8,00,000 carried at Rs 584.48 lakhs), for procurement of solar PV modules. The Company has initiated arbitration proceedings against the supplier by appointing an independent arbitration professional. Pending recovery of the advance paid or procurement of material against the said advance, the Company believes that this advance is recoverable and it continues to carry the said advance as unsecured and considered good under "Other current assets".

63 Advance towards purchase of equity instruments

(a) During the year, the Company has entered into Share Purchase Agreement ("SPA") dated 23 February 2022 with a non-resident individual (the "Vendor") to purchase 75 class "A" Common Shares ("Vendor's Shares") of Xanatos Marine Ltd ("Xanatos"), a Canadian Company, held by the Vendor in Xanatos and representing 75% of all the issued and outstanding shares of Xanatos for a total consideration of USD 1,550,000 (at a fair value of USD 20,667 per share). The total consideration is to be paid by the Company to the Vendor in tranches on or before 30 September 2022. During the year, the Company has paid USD 950,000 (equivalent Rs 731.66 lakhs). The transfer of shares to the Company is subject to fulfilment of conditions precedent as per SPA and payment of entire consideration.

(b) During the year, the Company has entered into Memorandum Of Understanding ("MOU") dated 07 May 2021 with an individual and his HUF to purchase their entire shareholding held in a Private Limited company engaged in marine electronic products. As per the terms of MOU, during the year, the Company subject to valuation of shares has agreed to lend Rs 100.00 lakhs as advance. Pending the due diligence and share valuation, the Company has recognised an interest income of Rs 9.73 lakhs on the said advance for the year ended 31 March 2022.

64 Dividends

Dividends paid by the Company during the year ended 31 March 2022 include an amount of 0.2 per equity share towards final dividend for the year ended 31 March 2021.

65 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022.

66 Previous year's figures

Previous year's figures have also been regrouped / recasted, wherever necessary, to conform to the current year's presentation.

For SAINI PATI SHAH & CO LLP

Chartered Accountants

Firm's Registration No: 137904W/W100622

Som Nath Saini

Partner

Membership No: 093079

Venkatesh Uchil

Managing Director

DIN: 01282671

Namita Sethia

Chief Financial Officer

Place : Mumbai,

Date : 27 May 2022

For and on behalf of the Board of Directors of Marine Electricals (India) Limited

Vinay Uchil

Chairman and Executive Director

DIN: 01276871

Mitali Ambre

Company Secretary and Compliance Officer

Place : Mumbai,

Date : 27 May 2022

INDEPENDENT AUDITORS' REPORT

as at 31 March 2022

To the Members of

Marine Electricals (India) Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Marine Electricals (India) Limited (“the Company” or “the Holding Company”) and its subsidiaries (the Company and its subsidiaries together referred to as “the Group”) and its jointly controlled entity, as listed in Annexure A, which comprise the consolidated balance sheet as at 31 March 2022, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flow statement for the year the ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entity as at 31 March 2022, its consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (“SAs”) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditors’ Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its jointly controlled entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained and evidence obtained by the other auditors in terms of their reports referred to in the ‘Other Matters’ paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

Without qualifying our opinion on account of this matter, we draw attention to following matters included in Notes to the consolidated financial statements:

1. Note 62 included in notes to the consolidated financial statements regarding the fact that the Company during financial year 2017-18 paid to a supplier in China an advance of USD 8,00,000 carried at Rs 584.48 lakhs as at 31 March 2022, for procurement of solar PV modules. The Company has initiated arbitration proceedings against the supplier by appointing an independent arbitration professional. Pending recovery of the advance paid or procurement of material against the said advance, the Company believes that this advance is recoverable and it continues to carry the said advance as unsecured and considered good under other current assets.
2. Note 63 of the consolidated financial statements regarding the fact that a subsidiary company, Eltech Engineers Madras Private Limited (“Eltech”) had accumulated losses of Rs 292.85 lakhs as at 31 March 2022, the current liabilities were Rs 274.04 lakhs and current assets were Rs 7.22 lakhs. Further, it’s net worth as at 31 March 2022 was negative Rs 262.85 lakhs. These conditions indicate the existence of material uncertainty about Eltech’s ability to continue as a going concern. However, the financial statements of Eltech have been prepared on a going concern basis as the Company has committed to provide all financial and other support to enable Eltech to operate as a going concern.

3. Note 64 of the consolidated financial statements regarding the fact that in case of subsidiary / step down subsidiary incorporated outside India, accounting policy with regards to depreciation on property, plant and equipment (tangible assets) and amortisation of intangible assets is different as compared to the written down value method adopted by the Company and other subsidiary incorporated in India. The consequential financial impact of adjustments on account of depreciation that would be required to be made in the consolidated financial statements to ensure conformity with the Group's accounting policy for depreciation is currently not ascertainable.

Key Audit Matters

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

Sr. No.	Key Audit Matters	Auditor's response
1	<p>Revenue recognition accuracy, measurement, presentation and disclosure</p> <p>Revenue is measured based on transaction price, which is the consideration. As disclosed in Note 3.9 to the consolidated financial statements, revenue from contract with customers is recognized when the Group satisfies the performance obligation by transfer of control of promised product or service to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. Control is defined as the ability to direct the use of and obtain substantially all of the economic benefits from an asset.</p> <p>At the inception of the contract, the Group identifies the goods or services promised in the contract and assess which of the promised goods or services shall be identified as separate performance obligations. Promised goods or services give rise to separate performance obligations if they are capable of being distinct.</p>	<p>Our audit procedures included following:</p> <ul style="list-style-type: none"> • Considering the appropriateness of the management's accounting policies regarding revenue recognition; • Obtained an understanding of management's process over revenue recognition and evaluated design of internal controls around revenue recognition; • Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing;

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

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

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

The accompanying consolidated financial statements have been approved by the Board of Directors of the Holding Company. The Company's Board of Directors 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 financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Group, including its jointly controlled entity, in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors / Management of the entities included in the Group and its jointly controlled entity are responsible for assessing the ability of the Group and of its jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 entities included in the Group are responsible for overseeing the financial reporting process of each entity.

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

- As part of an audit in accordance with SAs specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for direction, supervision and performance of the audit of the financial information of such entities.

For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

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.

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

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

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

Other Matters

- a The consolidated financial statements include the audited financial statements of three subsidiaries and one step down subsidiary whose financial statements reflect total assets of Rs. 10,333.38 lakhs as at 31 March 2022, total income of Rs. 4,313.09 lakhs and total net profit after tax of Rs. 38.16 lakhs, before giving effect to the consolidated adjustments, and net cash outflows of Rs. 241.91 lakhs for the year ended on that date, as considered in the consolidated financial statements, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, are not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- b. The consolidated financial statements also include the Group's share of net loss after tax of Rs 2.42 lakhs, before giving effect to the consolidated adjustments, as considered in the consolidated financial statements, in respect of the jointly controlled entity. This unaudited financial statement has been furnished to us by the Management and Board of Directors and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management and Board of Directors, this financial statement is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, are not modified in respect of the above matters with respect to our reliance on the financial statements certified by the Management and Board of Directors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure B", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, based on our audit and on the consideration of reports of other auditors on separate financial statements and other financial information of such subsidiaries and jointly controlled entity included in the Group, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
 - (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit of the accompanying consolidated financial statements;
 - (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - (c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) in our opinion, the aforesaid consolidated financial statements comply with the Ind AS prescribed under Section 133 of the Act;
 - (e) on the basis of the written representations received from the directors of the Company as on 31 March 2022 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to the financial statements of the Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure C". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the subsidiaries and jointly controlled entity included in the Group, as noted in the 'Other Matters' paragraph:
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as at 31 March 2022 – Refer Note 48 to the consolidated financial statements;
 - ii. the Group did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses as at 31 March 2022;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiaries incorporated in India during the year ended 31 March 2022.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources

or kind of funds) by the Company or its subsidiaries incorporated in India to or in any person(s) or entity(ies), including foreign entities ('the 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 or its subsidiaries incorporated in India ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company or its subsidiaries incorporated in India from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company or its subsidiaries incorporated in India shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The dividend declared or paid by the Holding Company is in compliance with section 123 of the Act.

3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India, the remuneration paid during the current year by the Company and its subsidiary company incorporated in India, where applicable, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company and its subsidiary company incorporated in India is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Saini Pati Shah & Co LLP,
Chartered Accountants
Firm's Registration No: 137904W/W100622

Som Nath Saini
Partner
Membership No: 093079
UDIN:22093079AJSWZY6240

Mumbai, May 27, 2022

Annexure A to the Independent Auditors' Report – 31 March 2022

Details of entities consolidated

Name	Country on incorporation	% of holding as at 31 March 2021
Subsidiaries / step down subsidiary		
Eltech Engineers Madras Private Limited	India	70.00%
Narhari Engineering Works (partnership firm)	India	80.00%
Evigo Charging Consultants Private Limited	India	74.00%
MEL Power Systems FZC	United Arab Emirates	90.00%
STI SRL (subsidiary of MEL Power Systems FZC)	Italy	67.50%
Jointly controlled entity		
Automatic Electronic Controls Manufacturing Co. (partnership firm)	India	50.00%

For Saini Pati Shah & Co LLP,
Chartered Accountants
Firm's Registration No: 137904W/W100622

Som Nath Saini
Partner
Membership No: 093079
UDIN:22093079AJSWZY6240

Mumbai, May 27, 2022

INDEPENDENT AUDITORS' REPORT

Annexure B to the Independent Auditors' Report – 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

(xxi) According to the information and explanations given to us, the following companies incorporated in India and included in the consolidated financial statements, have certain remarks included in their reports under Companies (Auditor's Report) Order, 2020 ("CARO"), which have been reproduced as per the requirements of the Guidance Note on CARO:

Sr. No	Name of the entities	CIN	Relationship with the Holding Company	Date of the respective auditor's report	Clause number of the CARO report
1	Eltech Engineers Madras Private Limited	U29142TN1996PTC036500	Subsidiary	19 May 2022	(i)(a), (i)(b), (vii)(a), (vii)(b)

For Saini Pati Shah & Co LLP,
Chartered Accountants
Firm's Registration No: 137904W/W100622

Som Nath Saini
Partner
Membership No: 093079
UDIN:22093079AJSWZY6240

Mumbai, May 27, 2022

Annexure C to the Independent Auditors' Report – 31 March 2022

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

(Referred to in paragraph (2)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Marine Electricals (India) Limited ("the Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Company and its subsidiary companies incorporated in India (the Company and its subsidiary companies incorporated in India together referred to as the "Group"), as of that date.

In our opinion, the Company and such subsidiary company incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the auditors of the relevant subsidiary companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statements.

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated 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

Our aforesaid report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to subsidiary companies incorporated in India, is based solely on the report of the auditors of the subsidiary companies incorporated in India. Our opinion is not modified in respect of this matter.

For Saini Pati Shah & Co LLP,
Chartered Accountants
Firm's Registration No: 137904W/W100622

Som Nath Saini
Partner
Membership No: 093079
UDIN:22093079AJSWZY6240

Mumbai, May 27, 2022

CONSOLIDATED BALANCE SHEET

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,385.67	3,072.95
Right-of-use assets	5	397.38	676.46
Capital work in progress	6	198.79	-
Investment property	7	511.96	572.52
Other intangible assets	8	608.20	528.14
Intangible assets under development	8(i)	4.50	-
Financial assets			
Investments	9	325.44	336.62
Other financial assets	10	378.01	635.39
Deferred tax assets (net)	11	102.16	29.17
Other non-current assets	12	997.04	46.08
Non-current tax assets (net)	13	41.66	129.41
Total non-current assets		6,950.81	6,026.74
Current assets			
Inventories	14	7,912.31	7,920.17
Financial assets			
Trade receivables	15	17,217.98	17,340.18
Cash and cash equivalents	16	144.26	426.38
Bank balances other than cash and cash equivalents	17	759.57	938.84
Loans	18	807.44	825.52
Other financial assets	19	438.78	114.12
Other current assets	20	3,110.89	4,730.71
Total current assets		30,391.23	32,295.92
Total assets		37,342.04	38,322.66
EQUITY AND LIABILITIES			
Equity			
Equity share capital	21	2,453.31	2,453.31
Other equity	22	15,005.06	13,845.75
Equity attributable to owners of the Company		17,458.37	16,299.06
Non-controlling interest		700.58	700.89
Total equity		18,158.95	16,999.95
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	23	439.26	861.36
Lease liabilities	24	59.57	132.04
Provisions	25	286.77	229.12
Total non-current liabilities		785.60	1,222.52

CONSOLIDATED BALANCE SHEET

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
Current liabilities			
Financial liabilities			
Borrowings	26	3,094.54	4,588.90
Lease liabilities	24	68.23	248.06
Trade payables:	27		
- Micro and small enterprises		87.64	58.11
- Other than micro and small enterprises		12,231.55	12,641.27
Other financial liabilities	28	556.46	268.49
Other current liabilities	29	2,180.97	2,070.96
Provisions	30	26.45	27.03
Current tax liabilities (net)	31	151.65	197.37
Total current liabilities		18,397.49	20,100.19
Total liabilities		19,183.09	21,322.71
Total equity and liabilities		37,342.04	38,322.66

The accompanying notes forms an integral part of these consolidated financial statements

As per our report of even date attached

For SAINI PATI SHAH & CO LLP

Chartered Accountants

Firm's Registration No: 137904W/W100622

Som Nath Saini

Partner

Membership No: 093079

Venkatesh Uchil

Managing Director

DIN: 01282671

Namita Sethia

Chief Financial Officer

Place : Mumbai,

Date : 27 May 2022

Place : Mumbai,

Date : 27 May 2022

**For and on behalf of the Board of Directors of
Marine Electricals (India) Limited**

Vinay Uchil

Chairman and Executive Director

DIN: 01276871

Mitali Ambre

Company Secretary and Compliance Officer

Place : Mumbai,

Date : 27 May 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Note	for the year ended 31 March 2022	for the year ended 31 March 2021
Income			
Revenue from operations	32	37,632.86	25,128.66
Other income	33	485.34	773.09
Total income		38,118.20	25,901.75
Expenses			
Cost of materials consumed	34	28,119.55	17,675.88
Changes in inventories of finished goods and work in progress	35	210.74	(284.52)
Employee benefits expense	36	3,082.72	2,534.42
Finance costs	37	728.14	892.76
Depreciation and amortization expense	38	934.63	911.62
Other expenses	39	3,095.95	2,480.12
Total expenses		36,171.73	24,210.28
Profit before share in profit / (loss) of associates & joint ventures and tax		1,946.47	1,691.47
Share in profit / (loss) of associates and joint ventures (net of tax, if any)		(2.42)	(0.13)
Profit before tax		1,944.05	1,691.34
Income tax expense / (credit):	40		
Current tax		631.89	276.91
Adjustment in respect of tax for earlier years		57.45	8.09
Deferred tax charge / (credit)		(73.11)	53.15
		616.23	338.15
Profit after tax		1,327.82	1,353.19
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plans		0.47	22.21
Income tax relating to items that will not be reclassified to profit or loss		(0.12)	(5.59)
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign currency operations		(79.10)	31.36
Other comprehensive income / (loss) for the year		(78.75)	47.98
Total comprehensive income for the year		1,249.07	1,401.17
Profit attributable to:			
Non-controlling interest		30.10	63.47
Shareholders of the Company		1,297.72	1,289.72
Other comprehensive income attributable to:			
Non-controlling interest		0.65	(8.07)
Shareholders of the Company		(79.40)	56.05

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Note	for the year ended 31 March 2022	for the year ended 31 March 2021
Total comprehensive income attributable to:			
Non-controlling interest		30.75	55.40
Shareholders of the Company		1,218.32	1,345.77
Earnings per share ("EPS")	41		
- Basic and diluted earning per equity share of face value of Rs 2 each		1.06	1.05

The accompanying notes forms an integral part of these consolidated financial statements

As per our report of even date attached

For SAINI PATI SHAH & CO LLP

Chartered Accountants

Firm's Registration No: 137904W/W100622

Som Nath Saini

Partner

Membership No: 093079

Venkatesh Uchil

Managing Director

DIN: 01282671

Namita Sethia
Chief Financial Officer

For and on behalf of the Board of Directors of Marine Electricals (India) Limited

Vinay Uchil

Chairman and Executive Director

DIN: 01276871

Mitali Ambre
Company Secretary and Compliance Officer

Place : Mumbai,
Date : 27 May 2022

Place : Mumbai,
Date : 27 May 2022

Place : Mumbai,
Date : 27 May 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

A. Equity share capital

Current reporting year

Balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of current reporting year
2,453.31	-	2,453.31

Previous reporting year

Balance at the beginning of the current reporting year	Changes in equity share capital during the previous year	Balance at the end of previous reporting year
2,453.31	-	2,453.31

B. Other equity

Current reporting year

Particulars	Reserves and surplus			Other comprehensive income	Other component of equity	Capital reserve	Total
	Securities premium	General reserve	Retained earnings				
Balance at the beginning of current reporting year	3,983.54	708.10	8,406.84	500.34	170.05	76.88	13,845.75
Profit for the current reporting year	-	-	1,297.72	-	-	-	1,297.72
Other comprehensive income for the current year	-	-	0.35	79.75	-	-	80.10
Fair value of financial guarantee transferred to other component of equity	-	-	-	-	26.82	-	26.82
Dividends (refer note 67)	-	-	(245.33)	-	-	-	(245.33)
Balance at the end of current reporting year	3,983.54	708.10	9,459.58	580.09	196.87	76.88	15,005.06

Previous reporting year

Particulars	Reserves and surplus			Other comprehensive income	Other component of equity	Capital reserve	Total
	Securities premium	General reserve	Retained earnings				
Balance at the beginning of current reporting year	3,983.54	708.10	7,100.51	539.77	141.44	77.61	12,550.97
Profit for the current reporting year	-	-	1,289.72	-	-	-	1,289.72
Other comprehensive income for the current year	-	-	16.62	(39.43)	-	-	(22.81)
On account of business combination	-	-	-	-	-	(0.73)	(0.73)
Fair value of financial guarantee transferred to other component of equity	-	-	-	-	28.61	-	28.61
Balance at the end of current reporting year	3,983.54	708.10	8,406.84	500.34	170.05	76.88	13,845.75

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

As per our report of even date attached

For SAINI PATI SHAH & CO LLP

Chartered Accountants

Firm's Registration No: 137904W/W100622

Som Nath Saini

Partner

Membership No: 093079

Venkatesh Uchil

Managing Director

DIN: 01282671

Namita Sethia
Chief Financial Officer

Place : Mumbai,
Date : 27 May 2022

For and on behalf of the Board of Directors of Marine Electricals (India) Limited

Vinay Uchil

Chairman and Executive Director

DIN: 01276871

Mitali Ambre
Company Secretary and Compliance Officer

Place : Mumbai,
Date : 27 May 2022

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	for the year ended 31 March 2022	for the year ended 31 March 2021
Cash flows from operating activities		
Profit before tax for the year	1,944.05	1,691.34
<i>Adjustments:</i>		
Depreciation and amortization	934.63	911.62
Sundry balances written off	8.71	51.73
Bad debts written off	111.89	504.49
Finance costs	728.14	892.76
Liabilities / sundry balances written back	(91.48)	(22.92)
Allowance for expected credit loss	-	2.33
Allowance for expected credit loss written back	(11.62)	(20.56)
Loss / (profit) on sale of property, plant and equipment (net)	85.62	(9.59)
Interest income on financial instruments at amortised cost	(30.80)	(31.10)
Interest income on advance towards purchase of equity instruments	(9.73)	-
Gain on sale of investment in other companies by a step down subsidiary	-	(429.86)
Foreign currency translation movement	76.77	(21.21)
Operating cash flows before working capital changes	3,746.18	3,519.02
Working capital movements:		
(Increase) / Decrease in inventories	7.86	(443.27)
(Increase) / Decrease in trade receivables	11.94	(887.36)
(Increase) / Decrease in bank balances other than cash and cash equivalents	179.27	(242.58)
(Increase) / Decrease in loans	28.08	387.31
(Increase) / Decrease in other financial assets	(36.48)	110.71
(Increase) / Decrease in other assets	1,522.63	(518.51)
Increase / (Decrease) in trade payables	(288.70)	(2,395.79)
Increase / (Decrease) in other financial liabilities	15.49	18.64
Increase / (Decrease) in other liabilities	110.01	922.01
Increase / (Decrease) in provisions	57.42	25.42
Cash generated from operations	5,353.70	495.61
Income taxes paid, net	(647.20)	(267.72)
Net cash flows generated from / (used in) operating activities (A)	4,706.50	227.89
Cash flows from investing activities		
Purchase of property plant and equipment and intangible assets (including movement in capital advances, creditors for property, plant and equipment, capital work in progress and intangible assets under development)	(1,189.57)	(470.64)
Proceeds from sale of property, plant and equipment	149.55	46.13
Payment of advance towards purchase of equity instruments	(831.67)	
Acquisition of equity interest in subsidiary	-	(2.84)
Movement in non-current investments	-	566.82
Net cash flows generated from / (used in) investing activities (B)	(1,871.69)	139.47
Cash flows from financing activities		
Proceeds from / (repayment of) non current borrowings (net)	(540.98)	191.04
Proceeds / (repayment of) current borrowings (net)	(1,375.48)	243.02
Finance costs paid	(703.76)	(887.59)
Dividend paid	(244.41)	-
Repayment of lease liabilities (net of finance cost)	(252.30)	(250.19)
Net cash flows generated from / (used in) financing activities (c)	(3,116.93)	(703.72)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	for the year ended 31 March 2022	for the year ended 31 March 2021
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(282.12)	(336.36)
Cash and cash equivalents at the beginning of the year	426.38	762.74
Cash and cash equivalents at the end of the year	144.26	426.38

Notes to cash flow statement:

1. Component of cash and cash equivalents:

Cash on hand	32.00	23.95
Balances with banks		
- in current accounts	110.54	349.65
- in Escrow accounts	0.12	-
- in EEFC accounts	1.60	52.78
Total cash and cash equivalents	144.26	426.38

2 The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7 Statement of Cash Flows u/s 133 of Companies Act, 2013 ('Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules 2015 and the relevant provisions of the Act.

The accompanying notes forms an integral part of these consolidated financial statements

As per our report of even date attached

For SAINI PATI SHAH & CO LLP

Chartered Accountants

Firm's Registration No: 137904W/W100622

Som Nath Saini

Partner

Membership No: 093079

Venkatesh Uchil

Managing Director

DIN: 01282671

Namita Sethia

Chief Financial Officer

Place : Mumbai,

Date : 27 May 2022

For and on behalf of the Board of Directors of Marine Electricals (India) Limited

Vinay Uchil

Chairman and Executive Director

DIN: 01276871

Mitali Ambre

Company Secretary and Compliance Officer

Place : Mumbai,

Date : 27 May 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

1. Group overview

Marine Electricals (India) Limited ("the Company" or "the Holding Company") was incorporated as a private limited company with the name "Marine Electricals (India) Private Limited" on 4 December 2007 under the Companies Act, 1956 by converting a partnership firm with the name "Marine Electricals". On 1 August 2018, the Company was converted into a public limited company and the name got changed to "Marine Electricals (India) Limited". The Company got listed on Small and Medium Enterprises ("SME") platform named EMERGE of National Stock Exchange of India ("NSE") on 11th October 2018 and got migrated to NSE main board with effect from 02 December 2020. The Holding Company along with its subsidiaries collectively referred to as "the Group" in following notes.

The Group is engaged in manufacturing and sale of all types of marine and industrial electrical & electronic components like switch-gears, control-gears etc. and is also engaged in renewable energy sector specifically solar. It also provides services like designing, fabricating etc. for all types of electrical & electronic installations in India and abroad and undertake annual maintenance contracts.

Following are the details of the entities consolidated in these financial statements:

Name of the entities	Country of incorporation	% equity interest	
		31 March 2022	31 March 2021
Subsidiaries / step down subsidiary			
Eltech Engineers Madras Private Limited	India	70.00%	70.00%
Narhari Engineering Works (partnership firm)	India	80.00%	80.00%
Evigo Charging Consultants Private Limited	India	74.00%	74.00%
MEL Power Systems FZC	United Arab Emirates	90.00%	90.00%
STI SRL (subsidiary of MEL Power Systems FZC)	Italy	67.50%	67.50%
Jointly controlled entity			
Automatic Electronic Controls Manufacturing Co. (partnership firm)	India	50.00%	50.00%

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules as amended from time to time and notified under section 133 of the Companies Act, 2013 ("the Act") and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act.

These consolidated financial statements for the year ended 31 March 2022 were authorised and approved for issue by the Company's Board of Directors at its meeting held on 27 May 2022.

2.2 Basis of preparation and measurement

These financial statements have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period (refer accounting policy regarding financial instruments).

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (Unadjusted) marked prices in the 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.

2.3 Basis of consolidation

Subsidiaries are all entities (including structured 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. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI') of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

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. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners.
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

2.4 Current Versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.5 Critical accounting judgements and use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. The actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and future periods.

Accounting estimates and judgements are used in various line items in the financial statements for e.g.:

Property, plant and equipment

The management engages internal technical team to assess the remaining useful lives and residual value of property, plant and equipment annually in order to determine the amount of depreciation to be recorded during any reporting period. The management believes that the assigned useful lives and residual value are reasonable.

Income taxes

The management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets / liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

Contingencies

The management's judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

Expected credit losses on financial assets

The impairment provisions of financial assets and contract assets are based on assumptions about risk of default and expected timing of collection. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Effective Interest Rate (EIR) Method

The Group recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other income/expense that are integral parts of the instrument.

Fair value measurements and valuation processes

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation technique that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.6 Recent Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprise the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

3. Significant Accounting Policies

3.1 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company’s functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

3.2 Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss on the date of disposal or retirement.

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Group and cost of the item can be measured reliably. All other repair and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

For entities other than subsidiaries incorporated outside India i.e. MEL Power Systems FZC and STI SRL, depreciation on property, plant and equipment is provided on written down value method over the useful lives of assets as prescribed under Schedule II to the Companies Act, 2013. Based on past experience and internal technical evaluation, the management believes that these useful lives represent the appropriate period of usage and therefore, considered to be appropriate for charging depreciation. In case of subsidiaries incorporated outside India, depreciation on property, plant and equipment is provided on a straight-line basis over the expected useful life and in case of STI S.R.L. for the first year of entry into operations of the assets, they are reduced by 50% as representative of the effective participation in the production process which can be considered as average at half year.

Depreciation on addition (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which assets is ready for use (disposed of).

The estimated useful lives of the property, plant and equipment considered by the Company are as follows:

Tangible Assets	Estimated uestful life (in Years)
Buildings	30
Plant and machinery	15
Plant and machinery – Drilling Rig	30
Computers	3
Furniture and fixtures	10
Vehicles	8
Office equipment	3-5

Leasehold improvements are amortised over the lower of estimated useful life as per Schedule II or intended lease period.

Assets residual values, depreciation method and useful lives are reviewed at the end of financial year considering the physical condition of the assets or whenever there are indicators for review and adjusts residual life prospectively.

Derecognition

An item of property, plant and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset / significant component (calculated as the difference between the net disposal proceeds and the carrying amount of the asset / significant component) is recognised in statement of profit and loss, when the asset is derecognised.

3.3 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item are probable to flow to the Group and cost of the item can be measured reliably. All other repair and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Depreciation on investment property is provided on the written down value method over their estimated useful lives. However, where the management's estimate of the remaining useful life of the assets on a review subsequent to the time of acquisition is different, then depreciation is provided over the remaining useful life based on the revised useful life.

3.4 Intangible assets

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognised at cost. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

For entities other than subsidiaries incorporated outside India, intangible assets, other than license and intellectual property rights, are amortised on a written down value method in accordance with the useful life prescribed in Schedule II to the Act. In case of subsidiaries incorporated outside India, intangible assets are amortised on a straight-line basis over their estimated useful life.

The estimated useful lives of the intangible assets considered by the Company are as follows:

Intangible Assets	Estimated useful life (in Years)
Software	3

License and Intellectual Property Rights are amortised on a straight-line basis over a period of five years.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the statement of profit and loss.

3.5 Assets held for sale

Non-current assets, or disposal groups are classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to the statement of profit and loss. The same applies to gains and losses on subsequent remeasurement although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the accounting policies. Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

3.6 Foreign currency translation

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Group at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

3.7 Taxes

Tax expense comprises of current and deferred tax.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

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

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

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. Minimum Alternative Tax ("MAT") credit is recognised as deferred tax asset based on evidence that the Group will pay normal income tax during the specified period. Significant judgments are involved in determining the future taxable income and future book profits, including amount of MAT credit available for set-off.

3.8 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods, including freight, octroi and other levies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Cost is determined under the weighted average cost method and includes all costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work in progress further includes direct labour and an appropriate share of production overheads as applicable.

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

Due allowances are made for defective, obsolete and slow-moving inventory, wherever necessary, based on management estimates and past experiences of the Group.

3.9 Revenue recognition

Revenue from contract with customers is recognized when the Group satisfies the performance obligation by transfer of control of promised product or service to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. Control is defined as the ability to direct the use of and obtain substantially all of the economic benefits from an asset. Revenue excludes taxes collected from customers.

Revenue is measured based on the transaction price, which is the expected consideration to be received, to the extent that it is highly probable that there will not be a significant reversal of revenue in future periods. If the consideration in a contract includes a variable amount, at the inception of the contract, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer.

At the inception of the contract, the Group identifies the goods or services promised in the contract and assess which of the promised goods or services shall be identified as separate performance obligations. Promised goods or services give rise to separate performance obligations if they are capable of being distinct.

Revenue from the delivery of products is recognised at the point in time when control over the products is passed to the customers, which is determined based on the individual terms agreed in the customer contract. Revenue from support services is recognized on rendering of services in accordance with the contractual agreement with the customers.

Contract balances:

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Contract asset, which is presented as unbilled revenue, is classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract. Contract liabilities include, and are presented as 'Revenue received in advance' and 'Advances from customers'.

3.10 Other income

Interest income

Interest income is recognized as it accrues in the statement of profit and loss using effective interest rate method.

Duty drawback

Duty drawback is recognized basis entitlement upon exports made. Provision is made for duty drawback entitlement pending to be received towards end of the year on exports made during the year.

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Net gain loss on fair value change

The Group recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL on net basis. However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the statement of profit and loss.

3.11 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.

i. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as:

- Debt instruments assets at amortised cost
- Equity instrument measured at fair value through profit or loss (FVTPL)

When assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit and loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

Debt instruments at amortised cost

A debt instrument is measured at amortised cost (net of any write down for impairment) if both the following conditions are met:

- the asset is held to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes), and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss. The losses arising from impairment are recognised statement of profit and loss. This category generally applies to trade and other receivables

Financial assets at fair value through OCI (FVTOCI)

A financial asset that meets the following two conditions is measured at fair value through OCI unless the asset is designated at fair value through profit and loss under fair value option.

- The financial asset is held both to collect contractual cash flows and to sell.
- 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.

Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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Financial assets at fair value through profit and loss (FVTPL)

FVTPL is a residual category for Group's investment instruments. Any instruments which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

All investments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss

In addition, the Group may elect to designate an instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group has not made any such election. This classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment, However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investment in subsidiary are measured at cost.

Derecognition

When the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; it evaluates if and to what extent it has retained the risks and rewards of ownership.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- Based on above evaluation, either
 - (a) the Group has transferred substantially all the risks and rewards of the asset, or
 - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a bases that reflect the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 ('Financial instruments') requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised 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 an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iv. Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

3.12 Impairment of non-financial assets

Non-financial assets including Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

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If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the consolidated statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash in hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.14 Provisions, contingent liabilities and contingent assets

Provision

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

Provision for warranty

Product warranty costs are accrued in the year of sale of products, based on past experiences. The Group periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary.

Contingent liabilities and contingent assets

Contingent liabilities are 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 or 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. Information on contingent liability is disclosed in the Notes to the Financial Statements

Contingent assets are not recognized in the financial statements. However, it is disclosed only when an inflow of economic benefits is probable.

3.15 Government grants

Grants from the government are recognised where there is reasonable assurance that the grant will be received and the Group will comply with required conditions. Export incentive under duty drawback are accrued when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

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3.16 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

3.17 Employee benefits

Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include salary, wages, short-term compensated absences, performance incentives, etc. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period of rendering of service by the employee.

Long-term employee benefits:

(i) Defined contribution plans:

The Group's contribution to provident fund, superannuation fund, employee state insurance scheme and labour welfare fund are considered as defined contribution plans. The Group's contribution paid / payable under the plans are recognised as an expense in the consolidated statement of profit and loss during the period in which the employee renders the related service.

(ii) Defined benefits plan:

Post-employment benefit:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The present value of the obligation under such defined benefit plan is determined based on independent actuarial valuation at the balance sheet date using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the consolidated statement of profit and loss.

Other long-term employment benefit:

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive encashment on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

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(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

3.18 Leases

At inception of contract, the Group assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of their relative consolidated price.

As a lessee:

Leases are recognised as a Right-of-Use (RoU) asset at cost with a corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets in accordance with Ind AS 116 'Leases'.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs etc.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

For short-term and low value leases, the Group recognizes the lease payments as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

As a lessor:

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income on such operating leases are recognised in the statement of profit and loss on an accrual basis in accordance with the lease agreement. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.19 Borrowings

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

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3.20 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

3.21 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

3.22 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

3.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (“CODM”) of the Group.

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4 Property, plant and equipment

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Freehold land	Buildings	Plant and machinery (including drilling rig)	Computers	Furniture and fixtures	Leasehold improvements	Vehicles	Office equipments	Total
Gross block:									
As at 31 March 2020	152.47	1,871.79	1,520.37	24.69	64.71	17.48	147.40	32.13	3,831.04
Additions	-	51.41	17.13	10.53	8.13	-	54.00	32.85	174.05
Disposals	-	-	(38.02)	-	-	-	(17.57)	(0.16)	(55.75)
Foreign currency translations	0.41	2.31	-	(0.02)	0.15	-	1.19	0.71	4.75
As at 31 March 2021	152.88	1,925.51	1,499.48	35.20	72.99	17.48	185.02	65.53	3,954.09
Additions	-	351.33	334.96	23.62	47.11	-	33.28	112.42	902.72
Disposals	-	-	(359.19)	-	-	-	-	(3.41)	(362.60)
Foreign currency translations	(0.31)	(3.24)	0.01	0.02	(0.09)	-	(1.57)	(0.70)	(5.88)
at 31 March 2022	152.57	2,273.60	1,475.26	58.84	120.01	17.48	216.73	173.84	4,488.33
Accumulated depreciation:									
As at 31 March 2020	-	184.81	216.41	10.93	19.58	4.52	29.52	9.77	475.54
Charge for the year	-	169.25	190.35	8.61	11.74	3.35	32.42	7.88	423.60
Disposals	-	-	(10.37)	-	-	-	(8.71)	(0.13)	(19.21)
Foreign currency translations	-	0.49	-	(0.01)	0.10	-	0.35	0.28	1.21
As at 31 March 2021	-	354.55	396.39	19.53	31.42	7.87	53.58	17.80	881.14
Charge for the year	-	172.36	195.36	16.46	14.24	2.48	39.40	30.76	471.06
Disposals	-	-	(244.95)	-	-	-	-	(2.90)	(247.85)
Foreign currency translations	-	(0.74)	0.01	0.02	(0.07)	-	(0.57)	(0.34)	(1.69)
As at 31 March 2022	-	526.17	346.81	36.01	45.59	10.35	92.41	45.32	1,102.66
Net block:									
As at 31 March 2021	152.88	1,570.96	1,103.09	15.67	41.57	9.61	131.44	47.73	3,072.95
As at 31 March 2022	152.57	1,747.43	1,128.45	22.83	74.42	7.13	124.32	128.52	3,385.67

Notes:

1. Refer note 23 and 26 for information on property, plant and equipment pledged as security by the Group.
2. Refer note 49 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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5 Right-of-use assets

Particulars	Premises	Equipment	Land	Total
Gross block:				
As at 31 March 2020	735.51	148.34	395.96	1,279.80
Additions	1.28	-	-	1.28
Disposals	-	-	-	-
As at 31 March 2021	736.79	148.34	395.96	1,281.08
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31 March 2022	736.79	148.34	395.96	1,281.08
Accumulated depreciation :				
As at 31 March 2020	236.02	37.36	22.48	295.85
Charge for the year	249.09	37.26	22.42	308.77
Disposals	-	-	-	-
As at 31 March 2021	485.11	74.62	44.90	604.62
Charge for the year	219.41	37.26	22.42	279.09
Disposals	-	-	-	-
As at 31 March 2022	704.51	111.88	67.32	883.71
Net block:				
As at 31 March 2021	251.68	73.72	351.06	676.46
As at 31 March 2022	32.28	36.46	328.64	397.38

6. Capital work in progress

Particulars	Amount
As at 31 March 2020	-
Addition during the year	-
Capitalised during the year	-
As at 31 March 2021	-
Addition during the year	350.23
Capitalised during the year	(151.44)
As at 31 March 2022	198.79

For Capital work in progress ageing, refer note 54.

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7 Investment property

Particulars	Buildings
Gross block:	
As at 31 March 2020	715.99
Additions	-
Disposals	-
As at 31 March 2021	715.99
Additions	-
Disposals	-
As at 31 March 2022	715.99
Accumulated depreciation :	
As at 31 March 2020	75.74
Charge for the year	67.73
Disposals	-
As at 31 March 2021	143.47
Charge for the year	60.56
Disposals	-
As at 31 March 2022	204.03
Net block:	
As at 31 March 2021	572.52
As at 31 March 2022	511.96

Notes

(i) Investment property comprise of a commercial building that is leased to third party. Subsequent renewal of license agreement are negotiated with the tenant and average renewal period ranges between three and five years.

(ii) Refer note 23 and 26 for information on investment property pledged as security by the Group.

(iii) (a) As at 31 March 2022, the fair value of the property is Rs. 2,917.04 lakhs. This valuation is based on valuation performed by an accredited independent valuer.

In the previous year, the Group has not obtained valuation report from an independent registered valuer to determine the fair value of its investment property as at 31 March 2021. Accordingly, fair value disclosure as required under Ind AS 40 - Investment Property is not provided for the previous year.

(b) The fair value of the Group's investment property has been arrived at using Composite rate method. Under Composite rate method, rate is arrived using comparable sales instance for similar property with same specification in the adjoining locality and further adjusted for depreciation on building component. The main inputs used are age of the building, life of the building, salvage value and composite rate.

(c) Details of the Group's investment property and information about the fair value hierarchy is as follows:

Particulars	As at 31 March 2022
Assets for which fair values are disclosed	
Investment property	
Level 1	-
Level 2	-
Level 3	2,917.04

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(d) Amounts recognised in statement of profit and loss related to investment properties (excluding depreciation and finance costs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Rental income from investment property	100.88	92.47
Direct operating expenses arising from investment property that generated rental income during the year	8.76	5.10
Direct operating expenses arising from investment property that did not generate rental income during the year	-	-

8 Other intangible assets

Particulars	License	Softwares	Intellectual Property Rights	Other intangible assets of foreign step down subsidiary	Total
Gross block:					
As at 31 March 2020	33.75	48.61	100.00	272.49	454.85
Additions	33.75	34.88	-	196.25	264.88
Disposals	-	-	-	-	-
Foreign currency translations	-	0.39	-	12.72	13.11
As at 31 March 2021	67.50	83.88	100.00	481.46	732.84
Additions	-	6.60	60.20	269.67	336.47
Disposals	-	-	(160.20)	-	(160.80)
Foreign currency translations	-	(0.58)	-	(15.58)	(16.16)
As at 31 March 2022	67.50	89.90	-	735.55	892.95
Accumulated amortization :					
As at 31 March 2020	3.10	19.80	16.71	50.77	90.38
Charge for the year	11.51	19.75	18.48	61.78	111.52
Disposals	-	-	-	-	-
Foreign currency translations	-	-	-	2.80	2.80
As at 31 March 2021	14.61	39.55	35.19	115.35	204.70
Charge for the year	14.92	15.42	4.59	88.99	123.92
Disposals	-	-	(39.78)	-	(39.78)
Foreign currency translations	-	(0.05)	-	(4.04)	(4.09)
As at 31 March 2022	29.53	54.92	-	200.30	284.75
Net block:					
As at 31 March 2021	52.89	44.33	64.81	366.11	528.14
As at 31 March 2022	37.97	34.98	-	535.25	608.20

8(i) Intangible assets under development

Particulars	Amount
As at 31 March 2020	-
Addition during the year	-
Capitalised during the year	-
As at 31 March 2021	-
Addition during the year	4.50
Capitalised during the year	-
As at 31 March 2022	4.50

For Intangible assets under development ageing, refer note 55.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

9 Investments (Non-current)

Particulars	As at 31 March 2022	As at 31 March 2021
Measured at fair value through Profit & Loss:		
(i) Investments in equity instruments of other companies (unquoted):		
Investment in other companies	325.44	333.86
Measured at equity accounting		
(ii) Investment in jointly controlled entity:		
Capital in Automatic Electronic Controls Manufacturing Co. (a partnership firm)		2.76
	325.44	336.62
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	325.44	336.62
Aggregate amount of impairment in value of investment	-	-

Note:

Details of investments in partnership firms

Name of Partner	As at 31 March 2022		As at 31 March 2021	
	% Share	Capital	% Share	Capital
Automatic Electronic Controls Manufacturing Co.:				
Marine Electricals (India) Limited	-	-	50%	2.76
KDU Enterprises Private Limited	-	-	50%	4.16
		-		6.92

10 Other financial assets (Non-current)

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good:		
Lease deposits:		
- related parties (Refer note 43)	-	307.85
- others	-	4.72
Security deposits	25.41	21.81
Margin money deposits *	352.60	301.01
	378.01	635.39

* The deposits are pledged against bank guarantees issued and for cash credit / letter of credit facilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

11 Deferred tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax assets:		
Provision allowed under tax on payment basis	99.12	82.61
Share issue expenses allowable u/s 35D of the Income-tax Act, 1961	10.04	20.08
Measurement of financial assets and liabilities at amortised cost, net	29.81	25.34
Ind AS 116 - "Leases"	38.62	38.31
Others	2.74	2.64
Total deferred tax asset (A)	180.33	168.98
Deferred tax liabilities		
Accelerated depreciation for tax purpose	73.75	109.15
Ind AS 115 - "Revenue from contracts with customers"	4.42	30.66
Total deferred tax liabilities (B)	78.17	139.81
Net Deferred tax Assets (A-B)	102.16	29.17

12 Other non-current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	126.01	37.53
Capital advances	29.63	8.55
Advance towards purchase of equity instruments (Refer note 66)	841.40	-
	997.04	46.08

13 Non-current tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance tax and tax deducted at source (net of provision for tax)	41.66	129.41
	41.66	129.41

14 Inventories

(valued at lower of cost and net realisable value, unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials	3,405.32	3,178.47
Work in progress	4,456.60	4,720.37
Finished goods	50.39	21.33
	7,912.31	7,920.17

Refer note 23 and 26 for details of inventories pledged against borrowings by the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

15 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good:		
Trade receivables	17,334.15	17,457.97
Less: Allowance for expected credit loss	(116.17)	(117.79)
	17,217.98	17,340.18

Refer note 23 and 26 for details of trade receivables pledged against borrowings by the Company.

Refer note 43 for details about related party trade receivables.

Refer note 46 for information about credit risk and market risk of trade receivables.

For trade receivables ageing, refer note 52.

16 Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	32.00	23.95
Balances with banks:		
- in current accounts	110.54	349.65
- in escrow account	0.12	-
- in EEFC account	1.60	52.78
	144.26	426.38

17 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Margin money deposits*	759.57	938.84
	759.57	938.84

* The deposits are pledged against bank guarantees issued and for cash credit / letter of credit facilities.

18 Loans (Current)

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good :		
Loans	735.94	747.50
Staff loans and advances	64.41	69.84
Other receivables	7.09	8.18
Loans receivables - credit impaired	13.66	23.66
Less: Allowance for expected credit loss	(13.66)	(23.66)
	807.44	825.52

Refer note 46 for information about credit risk and market risk of loans.

Notes:

There are no outstanding loans or advances in the nature of loans granted to Promoters, Directors, key management personnel and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

19 Other financial assets (Current)

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good :		
Security deposits	30.97	24.03
Lease deposits:		
- related parties (Refer note 43)	338.48	-
- others	14.04	8.04
Interest accrued on deposits	55.29	82.05
Unsecured, considered doubtful :		
Other receivables	4.84	4.84
Less: Allowance for expected credit loss	(4.84)	(4.84)
	438.78	114.12

20 Other current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with government authorities	800.85	650.59
Contract assets	14.46	183.48
Advances to suppliers		
- related parties (Refer note 43)	-	372.17
- others	1,183.70	2,231.00
Prepaid expenses	294.72	348.85
Other receivables	817.16	944.62
	3,110.89	4,730.71

21 Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised :		
15,00,00,000 (31 March 2021: 15,00,00,000) equity shares of Rs. 2 each (31 March 2021 : Rs 2 each)	3,000.00	3,000.00
	3,000.00	3,000.00
Issued, subscribed and paid-up capital :		
12,26,65,250 (31 March 2021: 12,26,65,250) equity shares of Rs. 2 each (31 March 2021 Rs 2 each) fully paid-up	2,453.31	2,453.31
	2,453.31	2,453.31

a) Reconciliation of the number of shares:

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding as at the beginning of the year	12,26,65,250	2,453.31	2,45,33,050	2,453.31
Equity shares arising on sub division of face value from Rs 10/- to Rs 2/- per share #	-	-	9,81,32,200	-
Outstanding as at the end of the year	12,26,65,250	2,453.31	12,26,65,250	2,453.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

The equity shares of the Company, during the previous year, have been sub-divided from existing face value of Rs 10 per equity share to face value of Rs 2 per equity share based on approval by the shareholders through postal ballot resolution on 04 February 2021.

b) Rights, preference and restrictions attached to the equity shares:

The Company has single class of equity shares having a par value of Rs. 2 each. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) List of shareholders holding more than 5% shares of a class of shares :

	As at 31 March 2022		As at 31 March 2021	
	No. of Share	%of holding	No. of Share	%of holding
KDU Enterprises Private Limited	6,34,06,875	51.69%	6,34,06,875	51.69%
Mr. Venkatesh K. Uchil	2,67,72,375	21.83%	2,67,72,375	21.83%

d) Details of shares held by the holding company

	As at 31 March 2022		As at 31 March 2021	
	No. of Share	%of holding	No. of Share	%of holding
KDU Enterprises Private Limited	6,34,06,875	51.69%	6,34,06,875	51.69%

e) Disclosure of shareholding of promoters

Disclosure of shareholding of promoters as at 31 March 2022 is as follows:

Promoter's name	As at 31 March 2022		As at 31 March 2021		% changes during the year
	No. of Share	%of holding	No. of Share	%of holding	
KDU Enterprises Private Limited	6,34,06,875	51.69%	6,34,06,875	51.69%	-
Mr. Venkatesh K. Uchil	2,67,72,375	21.83%	2,67,72,375	21.83%	-
Mr. Vinay K. Uchil	9,000	0.01%	1,000	0.001%	0.001%
Ms. Tanuja D. Pudhierkar	1,000	0.001%	1,000	0.001%	-
	9,01,89,250	73.52%	9,01,81,250	73.52%	0.01%

Disclosure of shareholding of promoters as at 31 March 2021 is as follows:

Promoter's name	As at 31 March 2021		As at 31 March 2020		% changes during the year
	No. of Share	%of holding	No. of Share	%of holding	
KDU Enterprises Private Limited	6,34,06,875	51.69%	6,34,06,875	51.69%	-
Mr. Venkatesh K. Uchil	2,67,72,375	21.83%	2,67,72,375	21.83%	-
Mr. Vinay K. Uchil	1,000	0.001%	1,000	0.001%	-
Ms. Tanuja D. Pudhierkar	1,000	0.001%	1,000	0.001%	-
	9,01,81,250	73.52%	9,01,81,250	73.52%	-

* The equity shares of the Company, during the previous year, have been sub-divided from existing face value of Rs 10 per equity share to face value of Rs 2 per equity share based on approval by the shareholders through postal ballot resolution on 04 February 2021. Accordingly, number of shares as at 31 March 2020 have been computed on the basis of new number of equity shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

- f) The Company has neither allotted any fully paid-up equity share by way of bonus shares, or in pursuant to contract without payment being received in cash nor has bought back any class of equity shares during the period of five year immediately preceding the balance sheet date.

22 Other equity

Particulars	As at	
	31 March 2022	31 March 2021
Securities premium	3,983.54	3,983.54
General reserve	708.10	708.10
Retained earnings	9,459.58	8,406.84
Other comprehensive income	580.09	500.34
Other component of equity	196.87	170.05
Capital reserve	76.88	76.88
	15,005.06	13,845.75

Nature and purpose of reserves:

Securities premium: Securities premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provision of the Companies Act, 2013.

General reserve: General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer of one component of equity to another.

Retained earnings: Retained earnings represents surplus / accumulated earnings of the Company and are available for distribution to shareholders. Further, it also includes the impact of remeasurements of the defined benefit obligations, net of tax.

Other comprehensive income: Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Other component of equity: Other component of equity represents fair value of financial guarantee.

Capital reserve: Capital reserve is created for bargain purchase at the time of acquisitions.

23 Borrowings (Non-current)

Particulars	As at		As at	
	31 March 2022		31 March 2021	
	Non current	Current	Non current	Current
Secured :				
Term loans :				
(a) From banks :				
(i) Vehicle loan {refer note (a) to (c)}	2.12	4.62	6.75	22.95
(ii) Other term loan {refer note (d) to (f)}	423.53	427.40	844.76	505.21
(b) From others:				
Vehicle loan {refer note (g)}	13.61	3.77	-	-
Unsecured :				
Term loans :				
(a) From banks {refer note (h) and (l)}	-	7.91	9.85	31.27
(b) From others {refer note (k)}	-	-	-	3.14
	439.26	443.69	861.36	562.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Note :

(a) Indian rupee vehicle loans from ICICI Bank Limited outstanding of Rs 2.73 lakhs as at 31 March 2022 (31 March 2021: Rs 4.08 lakhs) taken by the Company is secured against hypothecation of vehicles is repayable in 60 monthly installments. The loans carry interest ranging from 9.00% p.a. to 9.75% p.a. (31 March 2021: 9.00% p.a. to 9.75% p.a.).

Indian rupee vehicle loan from ICICI Bank Limited outstanding of Rs 1.49 lakhs as at 31 March 2022 (31 March 2021: Rs 18.60 lakhs) taken by Narhari Engineering Works is secured against hypothecation of vehicle and is repayable in 60 monthly installments. The loan carries an interest of 8.26% p.a. (31 March 2021: 8.26% p.a.).

(b) Indian rupee vehicle loan from Yes Bank Limited outstanding of Rs Nil as at 31 March 2022 (31 March 2021: Rs 2.97 lakhs) taken by the Company is secured against hypothecation of the vehicle is repayable in 37 monthly installments. The loan carries an interest of NA (31 March 2021: 9.50% p.a.).

(c) Indian rupee vehicle loan from Axis Bank Limited outstanding of Rs 2.52 lakhs as at 31 March 2022 (31 March 2021: Rs 4.05 lakhs) taken by the Company is secured against hypothecation of the vehicle is repayable in 36 monthly installments. The loan carries an interest of 8.76% p.a. (31 March 2021: 8.76% p.a.).

(d) Indian rupee term loan from Kotak Mahindra Bank Limited outstanding of Rs 633.08 lakhs as at 31 March 2022 (31 March 2021: Rs 901.23 lakhs) taken by the Company is primarily secured by equitable mortgage of industrial property at plot no. 54, 57, 55 and 56, Verna Industrial Estate, Phase IV, Salcete, Goa. The loan is repayable in 60 monthly installments. The loan carries an interest of K-MCLR 6M + Spread of 1.15% p.a. (31 March 2021: K-MCLR 6M + Spread of 1.15% p.a.). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

(e) Indian rupee term loan from Kotak Mahindra Bank Limited under Guaranteed Emergency Credit Line (GECL) under ECLGS scheme outstanding of Rs 178.51 lakhs as at 31 March 2022 (31 March 2021: Rs 216.68 lakhs) taken by the Company is secured by equitable mortgage of industrial property at plot no. 54, 57, 55 and 56, Verna Industrial Estate, Phase IV, Salcete, Goa. The loan is repayable in 48 monthly installments including moratorium of 12 months. The loan carries an interest of 8.00% p.a. (31 March 2021: 8.00% p.a.). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

(f) Indian rupee term loan from State Bank of India outstanding of Rs 39.34 lakhs as at 31 March 2022 (31 March 2021: Rs 232.06 lakhs) taken by the Company is primarily secured by hypothecation charge over inventory, book debts and other movable current assets, present & future at Mumbai and both the Goa plants. The loan is collaterally secured by:

(i) Commercial Building bearing Survey Number: A2, B1, B2, Ground Floor, situated at Unit No. A-2, B-1, B-2, Ground Floor, Udyog Sadan No. 3, Industrial Computer & Software Premises Co-op. Society Ltd., Near Seepz Bus Stop, Central Road, Seepz, Andheri East, Mumbai, 400093;

(ii) P & M at (a) B-1, Udyog Sadan- 3 Andheri and (b) 5-17/18 Goa;

(iii) Factory Land & Buildings bearing Survey Number: 30, situated at Plot No. 17 & 18, bearing Survey No. 30, Verna Industrial Estate, Phase I, Village Nagoa, District Salcete, South Goa, Village Nagoa, District Salcete, Goa, 403722;

(iv) Residential Building bearing Survey Number : 502A and 502B, situated at 502/A and 502/B, Fifth Floor, Heritage, Hiranandani gardens, CTS Nos. 20(pt), 21(pt), 22(pt) and 30(pt), Powai, Mumbai, 400076;

(v) Commercial Building bearing Survey Number: D-1 & B-3, situated at Unit No. D-1 & B-3, Ground Floor, Udyog Sadan No. 3, Industrial Computer & Software Premises Co-op. Society Ltd., Near Seepz Bus Stop, Central Road, Seepz, Andheri East, Mumbai, 400093;

The loan is repayable in 24 monthly installments including moratorium of 6 months. The loan carries an interest of 1 year MCLR with annual reset (31 March 2021: 1 year MCLR with annual reset). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company and Philins Industrial Corporation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

- (g) Indian rupee vehicle loan from Kotak Mahindra Prime Ltd. outstanding of Rs 17.38 lakhs as at 31 March 2022 (31 March 2021: Rs Nil) taken by the Company is secured against hypothecation of vehicles is repayable in 60 monthly installments. The loans carries an interest of 7.72% p.a. (31 March 2021: NA)
- (h) Indian rupee term loan from ICICI Bank Limited outstanding Rs Nil as at 31 March 2022 (31 March 2021: Rs 14.40 lakhs) taken by the Company. The loan is unsecured and is repayable in 15 monthly installments. The loan carries an interest of NA (31 March 2021: 16.50% p.a.).
- (i) Indian rupee term loan from Deutsche Bank outstanding of Rs 7.91 lakhs as at 31 March 2022 (31 March 2021: Rs 26.72 lakhs) taken by Narhari Engineering Works. The loan is unsecured and is repayable in 36 monthly installments. The loan carries an interest of 16.10% p.a. (31 March 2021: 18.00% p.a.).
- (j) Indian rupee term loan from Tata Capital Financial Services Limited outstanding Rs Nil as at 31 March 2022 (31 March 2021: Rs 3.14 lakhs) taken by the Company. The loan is unsecured and is repayable in 12 monthly installments. The loan carries an interest of NA (31 March 2021: 16.50% p.a.).

Net Debt Reconciliation

Particulars	As at 31 March 2022	As at 31 March 2021
Current borrowings	2,650.85	4,026.33
Non-current borrowings (including current maturities of long-term debts)	882.95	1,423.93
Lease liabilities	127.80	380.10
	3,661.60	5,830.36

Particulars	Current borrowings	Non-Current borrowings	Lease liabilities	Total
Balance as at 31 March 2020	3,783.31	1,235.60	630.29	5,649.20
Cash flows (net)	263.02	172.23	(303.21)	132.04
Interest expense	348.82	141.91	53.02	543.75
Interest paid	(368.82)	(142.64)	-	(511.47)
Other non-cash movements:				
Effective interest rate adjustment	-	16.83	-	16.83
Acquisitions-Leases	-	-	-	-
Balance as at 31 March 2021	4,026.33	1,423.93	380.10	5,830.36
Cash flows (net)	(1,375.48)	(551.96)	(278.23)	(2,205.67)
Interest expense	197.26	97.43	25.93	320.63
Interest paid	(197.26)	(99.87)	-	(297.13)
Other non-cash movements:				
Effective interest rate adjustment	-	13.42	-	13.42
Acquisitions-Leases	-	-	-	-
Balance as at 31 March 2022	2,650.85	882.95	127.80	3,661.60

24 Lease liabilities (refer note 45)

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current	59.57	132.04
Current	68.23	248.06
Total	127.80	380.10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

25 Provisions (Non-current)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employees benefits		
Gratuity (refer note 42)	226.23	182.76
Compensated absences (refer note 42)	60.54	46.36
	286.77	229.12

26 Borrowing (Current)

Particulars	As at 31 March 2022	As at 31 March 2021
Secured		
Cash credits from banks {refer note (a) to (e)}	1,975.06	3,037.39
Working capital demand loan {refer note (f)}	660.54	973.47
Current maturities of long-term borrowings (refer note 23)	443.69	562.57
Unsecured:		
Loan from others {refer note (g) and (h)}	15.25	15.47
	3,094.54	4,588.90

Notes:

- a) Cash credit facility from Axis Bank Limited outstanding of Rs 43.97 lakhs as at 31 March 2022 (31 March 2021: Rs 248.11 lakhs) carrying interest of REPO +5.25% (31 March 2021: 3 month MCLR + 2 bps) taken by the Company is repayable on demand. These are secured by hypothecation of entire current assets including stock, raw material, semi-finished goods, consumable stores, receivables, bills, deposits etc. and moveable fixed assets both present and future of the Company in pari passu with other banks. The facility is collaterally secured by exclusive charge on industrial property situated at Plot No. C1, B-71 and C1, B-72, GIDC Industrial Estate, Surat Hazira Road, Ichhpore, Bhatpore, Opp. GAIL Colony, Surat - 394510 and exclusive charge on land and building at Plot No. N-51, 52, 59 & 60, Phase IV, Verna Industrial Estate, Salcete, Goa owned by the Company. The facility is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.
- b) Cash credit facility from State Bank of India outstanding of Rs 1,410.27 lakhs as at 31 March 2022 (31 March 2021: Rs 2,696.73 lakhs) taken by the Company carrying interest of 2.75% above 6 M MCLR (31 March 2021: 3.5% above 1 year MCLR) taken by the company is repayable on demand. These are secured by 1st pari passu hypothecation charge over inventory, book debts and other movable current assets, present & future at Mumbai and Goa plants. The facility is collaterally secured by:
- Equitable / Registered Mortgage of Unit No B-1, Ground Floor, Industrial Computer and Software Premises Co-Op. Soc. Ltd., Udyog Sadan-3, Plot no-F-4+5+6, MIDC, Andheri (E), Mumbai owned by the Company;
 - Equitable Mortgage on factory premises at S-17/18, Verna Industrial Estate, Phase-1, Verna Electronic City, Salcete, Goa owned by the Company;
 - Hypothecation of all Plant & Machinery, present and future at Mumbai and Goa plants;
 - Equitable / Registered Mortgage on Unit No A-2, Ground Floor, Industrial Computer and Software Premises Co-Op. Soc. Ltd., Udyog Sadan No.3, Central Road, Near Seepz Bus Depot, Andheri (E), Mumbai owned by M/s Philins Industrial Corporation;
 - Equitable / Registered Mortgage of Unit No B-2, D-1, B-3 Ground Floor, Industrial Computer and Software Premises Co-Op. Soc. Ltd., Udyog Sadan No.3, Central Road, Near Seepz Bus Depot, Andheri (E), Mumbai owned by KDU Enterprises Pvt. Ltd.;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

vi) Equitable / Registered Mortgage on 502/A and 502/B, Fifth Floor, Heritage, Hiranandani Gardens, CTS Nos. 20(pt), 21(pt), 22(pt) and 30(pt), Powai, Mumbai - 400076 owned by Mr. Venkatesh Uchil.

The facility is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company and Philins Industrial Corporation.

(c) Cash credit facility from ICICI Bank Limited outstanding of Rs Nil as at 31 March 2022 (31 March 2021: Rs 70.10 lakhs) carrying interest of NA (31 March 2021: I-MCLR 6M + 1.90% p.a.) taken by the Company is repayable on demand. These are secured by first pari-passu hypothecation on firm's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other moveable, including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank. The facility is collaterally secured by equitable mortgage of commercial property at C1 and C2, Udyog Sadan 3, MIDC, Andheri East, Mumbai which is owned by KDU Enterprises Limited, the Holding Company, equitable mortgage of commercial property at Plot No.16, Road No. 9, MIDC, Andheri East, Mumbai which is owned by the Company.

The facility is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

(d) Cash credit facility from DCB Bank Limited outstanding of Rs 73.69 lakhs as at 31 March 2022 (31 March 2021: Rs 22.45 lakhs) taken by Narhari Engineering Works is carrying interest of EBLR + credit risk premium, as applicable (31 March 2021: 3M MCLR + Spread, as applicable) is repayable on demand. These are secured by hypothecation of stock & book debts & current assets. The loan is collaterally secured by hypothecation of entire Plant & Machinery, furniture and fixtures and registered mortgage of property situated at 3/B, Shri Industrial Estate, Near Dhavale Hospital, Boisar Road, Palghar - 401404.

The facility is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of Marine Electricals (India) Limited.

(e) Cash credit facility from Indusind Bank outstanding of Rs 447.13 lakhs as at 31 March 2022 (31 March 2021: Rs Nil) taken by the Company is carrying interest of Floating rate of 6M CD rate + 5.31% (31 March 2021: NA) is repayable on demand. These are secured by first pari-passu charge on entire current assets of the Company. The facility is collaterally secured by equitable mortgage of commercial property at Plot No.16, Road No. 9, MIDC, Andheri East, Mumbai which is owned by the Company.

The facility is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.

(f) Foreign currency working capital demand loan from Axis Bank Limited, Dubai outstanding of AED 31,90,389 equivalent to Rs. 660.54 lakhs as at 31 March 2022 (31 March 2021: AED 48,77,084 equivalent to Rs 973.47 lakhs) taken by MEL Power Systems FZC, a subsidiary company, carrying interest of 3M SOFR + 200 bps p.a. (31 March 2021: 3M L + 200 bps p.a.) is repayable on demand. The loan is secured by

(i) SBLC from Axis Bank Ltd, India with tenure 15 days more than WC tenure;

(ii) Mortgage over immovable property comprising of Land and Building at Plot No. 51, 52, 59 and 60, Phase IV, Verna Electronic city, Salcete, Goa, India - 403722 owned by the Company;

(iii) Hypothecation of stock and assignment of receivables of the borrower on a pari passu basis;

(iv) Undated cheques equivalent to the facility amount and 6 month interest;

The facility is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of the Company.

(g) Interest free indian rupee unsecured loan from Electrovast Solutions outstanding of Rs 15.25 lakhs as at 31 March 2022 (31 March 2021: Rs 15.25 lakhs) taken by Eltech Engineers Madras Private Limited, a subsidiary company, is repayable on demand.

(h) Interest free indian rupee unsecured loan from Sujay Kajarekar outstanding of Rs Nil as at 31 March 2022 (31 March 2021: Rs 0.12 lakhs) and from Sanjay Nikam of Rs Nil as at 31 March 2022 (31 March 2021: Rs 0.10 lakhs) taken by Evigo Charging Consultants Private Limited, a subsidiary company, is repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

27 Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues to micro and small enterprises	87.64	58.11
Total outstanding dues to creditors other than micro and small enterprises*	12,231.55	12,641.27
	12,319.19	12,699.38

* For details about related party trade payables, refer note 43.

For trade payables ageing, refer note 53.

28 Other financial liabilities (Current)

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	4.19	6.63
Lease deposits	20.00	20.00
Employee dues payable	225.76	210.27
Unpaid dividends	0.92	-
Creditors for purchase of property, plant and equipment	305.59	31.59
	556.46	268.49

29 Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Contract liabilities	1,221.33	1,064.42
Statutory dues payable	101.83	87.06
Other payables	857.81	919.48
	2,180.97	2,070.96

30 Provision (Current)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits:		
Gratuity (Refer note 42)	24.55	24.38
Compensated absences (Refer note 42)	1.90	2.65
	26.45	27.03

31 Current tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for tax (net of advance tax)	151.65	197.37
	151.65	197.37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

32 Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from contract with customers:		
Sale of products:		
- Electricals and electronics	33,724.65	20,406.40
- Solar	48.58	1,113.30
	<u>33,773.23</u>	<u>21,519.70</u>
Sale of services:		
- Electricals and electronics	3,632.81	2,902.00
- Solar	181.50	672.72
	<u>3,814.31</u>	<u>3,574.72</u>
Other operating revenues:		
Duty drawback	45.32	34.24
	<u>37,632.86</u>	<u>25,128.66</u>

Disaggregation of revenue:

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

Revenue by geography:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
- Within India	30,771.68	18,267.24
- Outside India #	6,815.86	6,827.18
	<u>37,587.54</u>	<u>25,094.42</u>

including deemed export of Rs 164.21 lakhs (31 March 2021: Rs 124.42 lakhs)

Revenue by time:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Over a period of time	230.08	1,786.02
At a point in time	37,357.46	23,308.40
	<u>37,587.54</u>	<u>25,094.42</u>

Reconciliation of revenue recognised with contract price:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Contract price	37,587.54	25,094.42
Adjustments for:		
Claims and rebates	-	-
	<u>37,587.54</u>	<u>25,094.42</u>

Trade receivables and contract balances:

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as contract asset.

A receivable is a right to consideration that is unconditional upon passage of time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

The contract assets primarily relate to the Group's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the right become unconditional. Contract assets are presented in note 20.

The contract liabilities primarily relate to the advance consideration received from customers. Contract liabilities are presented in note 29.

Trade receivables are presented net off loss allowance in note 15.

Movement in contract balances:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Movement in contract assets:		
Opening balances as on 1 April	183.48	-
Add: Revenue recognized during the year	-	183.48
Less: Invoiced during the year	(169.02)	-
Closing balance as on 31 March	14.46	183.48
Movement in contract liabilities:		
Opening balances as on 1 April	1,064.42	898.31
Less: Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	(911.87)	(659.27)
Add: Deferred revenue and advance from customers	1,068.78	825.38
Closing balance as on 31 March	1,221.33	1,064.42

33 Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income on:		
- financial instruments at amortised cost	30.80	31.10
- term deposits	53.51	86.64
- inter corporate loan	14.64	34.86
- advance towards purchase of equity instruments {Refer note 66(b)}	9.73	-
- others	-	0.62
Exchange gain (net)	112.17	-
Profit on sale of property, plant and equipment (net)	-	9.59
Liabilities/ sundry balances written back	91.48	22.92
Allowance for expected credit loss written back	11.62	20.56
Rental income	111.68	92.47
Sale of scrap	4.24	8.23
Insurance claim	9.45	6.85
Sales tax refund	16.27	29.39
Miscellaneous income	19.75	429.86
	485.34	773.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

34 Cost of materials consumed

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventory of materials at the beginning of the year	3,178.47	3,044.53
Add: Purchases	28,332.39	17,810.44
	31,510.86	20,854.97
Less: Inventory of materials at the end of the year	3,405.32	3,178.47
Foreign currency translations	14.01	(0.62)
	28,119.55	17,675.88

35 Changes in inventories of finished goods and work in progress

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the beginning of the year:		
Work in progress	4,720.37	4,367.30
Finished goods	21.33	59.25
	4,741.70	4,426.55
Inventories at the end of the year:		
Work in progress	4,456.60	4,720.37
Finished goods	50.39	21.33
	4,506.99	4,741.70
Foreign currency translations	(23.97)	30.63
	210.74	(284.52)

36 Employee benefits expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and allowances	2,684.13	2,233.73
Contribution to provident and other funds (Refer note 42)	106.08	85.36
Gratuity (Refer note 42)	55.57	59.20
Compensated absences (Refer note 42)	33.38	7.70
Staff welfare	203.56	148.43
	3,082.72	2,534.42

37 Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on:		
- financial instruments at amortised cost	13.42	19.55
- borrowings from banks and others	337.60	534.49
- statutory payments	1.89	22.93
- others	25.93	53.02
Bank charges	322.46	235.96
Corporate guarantee fees	26.82	25.90
Other financial charges	0.02	0.91
	728.14	892.76

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

38 Depreciation and amortization expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment	471.06	423.60
Depreciation on right-of-use assets	279.09	308.77
Depreciation on investment property	60.56	67.73
Amortization on intangible assets	123.92	111.52
	934.63	911.62

39 Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumable stores	-	5.82
Rent	105.51	39.48
Power and fuel	102.56	77.51
Repair and maintenance		
- plant and machinery	80.02	39.20
- buildings	1.27	1.35
- others	3.71	2.48
Vehicle running expense	30.21	19.07
Rates and taxes	42.27	45.82
Insurance	35.74	34.25
Liquidation damages	223.48	152.73
Inspection charges	185.63	86.04
Commissioning expenses	295.38	175.31
Clearing and forwarding charges	558.21	288.29
Traveling and conveyance	138.86	106.25
Postage and communication	42.07	33.91
Legal and professional fees	665.39	505.72
Payment to auditors	21.22	22.30
Contribution towards Corporate Social Responsibility	15.85	21.40
Director sitting fees	5.55	5.00
Housekeeping and security charges	68.85	54.61
Printing and stationery	33.10	25.27
Sales promotion and advertisement expenses	64.24	38.75
Sundry balances written off	8.71	51.73
Bad debts written off	111.89	504.49
Allowance for expected credit loss	-	2.33
Loss on sale of property, plant and equipment (net)	85.62	-
Exchange loss (net)	-	17.43
Miscellaneous expenses	170.61	123.58
	3,095.95	2,480.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

40. Income tax

The major components of income tax expense for the year ended 31 March 2022 and 31 March 2021 are :

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Statement of profit and loss section		
Current income tax :		
Current income tax charge	631.89	276.91
Adjustment in respect of tax for earlier years	57.45	8.09
Deferred tax charge/(credit) :		
Relating to origination and reversal of temporary differences	(73.11)	53.15
Income tax expense reported in the statement of profit and loss	616.23	338.15
Other comprehensive income section		
Income tax relating to items that will not be reclassified to profit or loss	(0.12)	(5.59)
	616.35	343.74

Reconciliation of tax expense and the accounting profit

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Accounting profit before tax	1,944.05	1,691.34
Computed tax expense :	489.28	425.68
At India's statutory income tax rate of 25.168% (31 March 2021: 25.168%)		
Adjustments for :		
Amounts which are non-deductible in calculating taxable income	5.80	17.79
Expenses deductible for tax purpose	(8.43)	(10.04)
Effect of tax rate changes in subsidiaries	19.87	(141.04)
Effect of difference in tax rate	8.68	-
Adjustment in respect of tax for earlier years	57.45	8.09
Items for which deferred tax was not recognised	11.04	6.49
Others	32.67	36.77
At the effective income tax rate	616.35	343.74
Income tax expense reported in statement of profit and loss	616.35	343.74

Deferred tax relates to the following

Particulars	Balance sheet		Statement of profit and loss	
	As at 31 March 2022	As at 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Provision allowed under tax on payment basis	99.12	82.61	16.51	1.48
Share issue expenses allowable u/s 35D of the Income-tax Act, 1961	10.04	20.08	(10.04)	(10.04)
Measurement of financial assets and liabilities at amortised cost, net	29.81	25.34	4.47	(3.01)
Ind AS 116 - "Leases"	38.62	38.31	0.31	6.36
Ind AS 115 - "Revenue from contracts with customers"	(4.42)	(30.66)	26.24	(62.11)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Balance sheet		Statement of profit and loss	
	As at 31 March 2022	As at 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
Others	2.74	2.64	0.10	(5.68)
Accelerated depreciation for tax purpose	(73.75)	(109.15)	35.40	14.26
Net deferred tax expense/(income)			72.99	(58.74)
Net deferred tax assets/(liabilities)	102.16	29.17		

Reflected in the balance sheet as follows

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities	(78.17)	(139.81)
Deferred tax assets	180.33	168.98
Deferred tax assets/(liabilities), net	102.16	29.17

Reconciliation of deferred tax (liabilities)/assets, net

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance as on April 1	29.17	87.92
Tax (income) / expense during the year recognised in statement of profit and loss	(73.11)	53.15
Tax (income) / expense during the year recognised in other comprehensive income	0.12	5.59
Closing balance	102.16	29.17

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

41. Earnings per share

The following table set forth the computation of basic and dilutive earnings per share:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net profit for the year attributable to equity shareholders	1,297.72	1,289.72
Weighted average number of shares	12,26,65,250	12,26,65,250
Earnings per equity share* [Face value of Rs. 2 each] (Rupees)	1.06	1.05

* Basic and diluted earnings per share during the current year are same as the Company has no potentially dilutive equity shares outstanding as at the year end.

Reconciliation of shares used in computing earnings per share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
No. of equity shares at the beginning of the year *	12,26,65,250	12,26,65,250
Add: Shares issued during the year	-	-
Less: Shares bought back during the year	-	-
No. of equity shares at the end of the year	12,26,65,250	12,26,65,20
Weighted average number of equity shares of Rs. 2 each used for calculation of basic and diluted earnings per share	12,26,65,250	12,26,65,250

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

* The equity shares of the Company, during the previous year, have been sub-divided from existing face value of Rs 10 per equity share to face value of Rs 2 per equity share based on approval by the shareholders through postal ballot resolution on 04 February 2021. Accordingly, basic and diluted earnings per equity share for previous year have been computed on the basis of new number of equity shares.

42. Employee benefits

(i) Defined contribution plans:

The Group makes contributions, determined as a specified percentage of employees salaries, in respect of qualifying employees towards provident fund, employees state insurance scheme and labour welfare scheme, which are defined contribution plans. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to provident and other funds for the year aggregated to Rs. 106.08 lakhs (31 March 2021: Rs 85.36 lakhs).

(ii) Defined benefit plans:

The Company operates an unfunded post-employment defined benefit plan that provides for gratuity benefit. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive gratuity at 15 days salary (salary last drawn) for each completed years of service at the time of retirement / exit.

The Company determines the gratuity liability based on the actuarial valuation using Projected Unit Credit Method by an Independent firm of Actuaries that is registered with The Institute of Actuaries of India.

The following table summarizes the position of obligation relating to gratuity plan:

Reconciliation of Defined Benefit Obligation (DBO)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Present value of DBO at start of the year	205.14	190.10
Current service cost	40.64	35.76
Interest cost	14.15	12.55
Benefits paid	(11.73)	(11.06)
<i>Re-measurements</i>		
Actuarial loss / (gain) from changes in financial assumptions	(8.20)	(7.39)
Actuarial loss / (gain) from experience over the past year	7.73	(14.82)
Present value of DBO at end of the year	247.73	205.14

Net Liability / (Asset) recognised in the Balance Sheet

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Present value of DBO	247.73	205.14
Fair value of plan assets	-	-
Liability / (Asset) recognised in the Balance Sheet	247.73	205.14

Expense recognised in the statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	40.64	35.76
Net interest on net defined benefit liability / (asset)	14.15	12.55
Total	54.79	48.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Income/(Loss) recognised in other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial (loss) / gain from changes in financial assumptions	8.20	7.39
Actuarial (loss) / gain from experience over the past year	(7.73)	14.82
Total income/(loss)	0.47	22.21

Actuarial assumptions

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salary growth rate	8% p.a.	8% p.a.
Discount rate	7.2% p.a.	6.9% p.a.
Interest rate on Net DBO	6.9% p.a.	6.6% p.a.
Withdrawal rate	2% p.a.	2% p.a.
Mortality rates	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Weighted average duration of the obligation	12 years	12 years

Experience adjustments

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Defined benefit obligation	247.73	205.14
Funded Status [Surplus/ (Deficit)]	(247.73)	(205.14)
Exp. Adj. on plan liabilities: (gain) / loss	7.73	(14.82)
Exp. Adj. on plan assets: gain / (loss)	NA	NA

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

Particulars	For the year ended 31 March 2022	
	Increases 1%	Decreases 1%
Salary growth rate	DBO increases by Rs 28.64 lakhs	DBO decreases by Rs. 24.48 lakhs
Discount rate	DBO decreases by Rs 24.44 lakhs	DBO increases by Rs 29.16 lakhs
Withdrawal rate	DBO decreases by Rs 2.58 lakhs	DBO increases by Rs 2.83 lakhs
Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs 0.03 lakhs	NA
Mortality (increase in expected lifetime by 3 years)	DBO increases by Rs 0.09 lakhs	NA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2021	
	Increases 1%	Decreases 1%
Salary growth rate	DBO increases by Rs 25.78 lakhs	DBO decreases by Rs. 21.85 lakhs
Discount rate	DBO decreases by Rs 21.87 lakhs	DBO increases by Rs 26.34 lakhs
Withdrawal rate	DBO decreases by Rs 2.90 lakhs	DBO increases by Rs 3.23 lakhs
Mortality (increase in expected lifetime by 1 year)	DBO increases by Rs 0.04 lakhs	NA
Mortality (increase in expected lifetime by 3 years)	DBO increases by Rs 0.11 lakhs	NA

The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

Risk exposures:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

(A) Salary Increases: Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

(B) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

(C) Withdrawals: Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

(D) Mortality & disability: Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

The expense recognised in the statement of profit and loss towards gratuity includes gratuity expense of Rs 0.78 lakhs for the year ended 31 March 2022 (31 March 2021: Rs 12.72 lakhs) and provision for gratuity liability includes gratuity liability of Rs 3.05 lakhs as at 31 March 2022 (31 March 2021: Rs 2.00 lakhs) of a subsidiary, Narhari Engineering Works, a partnership firm, where the liability is recognised based on management estimates.

(iii) Other long-term employee benefits:

Compensated absences

The compensated absences cover the Group's liability for earned leave. The Group has recognised an amount of Rs. 33.38 lakhs (31 March 2021: Rs. 7.70 lakhs) as an expense towards compensated absences and included in "Employee benefits expense" in the Statement of Profit and Loss. The Company has determined the liability for compensated absences based on the actuarial valuation using Projected Unit Credit Method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

43 Related party disclosures

A) Name of related parties

(I) Holding Company

KDU Enterprises Private Limited

(II) Other related parties

(a) Partnership firms in which directors are partners*

DKM Precision Engineers

Philins Industrial Corporation

(b) Enterprises in which directors have significant influence*

KDU Marine Equipment Trading and Maintenance LLC

KDU Worldwide Technical Services FZC

KDU Worldwide Technical Services Ghana Private Limited

Mcgeoch Marine Electricals Private Limited

Switch N Control Gears Private Limited

(III) Key management personnel and relatives

(a) Whole-time directors

Mr. Vinay Uchil, Chairman and Executive Director

Mr. Venkatesh Uchil, Managing Director

(b) Non-whole-time directors

Mr. Madan Pendse, Non Executive Independent Director

Mr. Shailendra Shukla, Non Executive Non Independent Director

Mr. Nikunj Mishra, Non Executive Independent Director

Mr. Vikas Jaywant, Non Executive Independent Director

Mr. Mohan Rao, Non Executive Independent Director (w.e.f. 30 May 2020)

Ms. Tanuja Pudhierkar, Non Executive Non Independent Director

Ms. Archana Rajagopalan, Non Executive Independent Director (w.e.f. 23 February 2021)

(c) Executive officers

Mr. Aditya Desai, Chief Financial Officer (upto 23 June 2020)

Ms. Namita Sethia, Chief Financial Officer (w.e.f. 30 July 2020)

Ms. Reesha Ratanpal, Company Secretary (upto 25 February 2021)

Ms. Mitali Ambre, Company Secretary (w.e.f. 27 February 2021)

(d) Relatives

Ms. Rashmi Uchil, Wife of Mr. Vinay Uchil

Ms. Reshma Uchil, Wife of Mr. Venkatesh Uchil

* Restricted to entities with whom the Company has transactions during the reporting years or balances as at the end of reporting years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

B) Related party transactions during the year

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Lease rent payment		
KDU Enterprises Private Limited	277.89	230.10
Philins Industrial Corporation	35.40	35.40
Ms. Rashmi Uchil	9.00	7.20
b) Rental income		
Switch N Control Gears Private Limited	12.74	-
c) Professional fees		
Ms. Rashmi Uchil	4.50	7.20
Switch N Control Gears Private Limited	50.14	54.16
d) Purchases		
KDU Enterprises Private Limited	113.42	98.49
KDU Marine Equipment Trading and Maintenance LLC	0.50	7.29
Philins Industrial Corporation	4.77	8.98
Switch N Control Gears Private Limited	126.37	32.56
e) Sales		
Mcgeoch Marine Electricals Private Limited	82.41	55.08
KDU Enterprises Private Limited	-	114.83
KDU Marine Equipment Trading and Maintenance LLC	39.41	84.26
Switch N Control Gears Private Limited	-	21.58
f) Advance to suppliers received back		
Mcgeoch Marine Electricals Private Limited	18.07	-
Philins Industrial Corporation	23.98	-
DKM Precision Engineers	300.00	-
g) Sale of intellectual property		
Switch N Control Gears Private Limited	60.20	-
h) Corporate guarantee fees		
KDU Enterprises Private Limited	26.82	25.90
i) Bad debts written off		
KDU Worldwide Technical Services Ghana Private Limited	5.81	-
j) Transactions with key management personnel and relatives		
Salaries and other employee benefits to whole-time directors, executive officers and relatives *	152.19	129.76
Director sitting fees to non-executive / independent directors	5.55	5.00

* As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel is not ascertainable and therefore not included above.

Note:

Amounts of transactions during the year pertaining to statement of profit and loss are gross of taxes, wherever applicable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

C) Outstanding balances as at year end

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Trade receivables		
DKM Precision Engineers	19.16	43.66
KDU Enterprises Private Limited	-	55.11
KDU Marine Equipment Trading and Maintenance LLC	61.33	91.30
KDU Worldwide Technical Services Ghana Private Limited	45.58	50.99
Mcgeoch Marine Electricals Private Limited	46.19	77.01
Switch N Control Gears Private Limited	32.38	-
b) Advance to suppliers		
DKM Precision Engineers	-	300.00
Mcgeoch Marine Electricals Private Limited	-	18.07
Philins Industrial Corporation	-	23.98
Switch N Control Gears Private Limited	-	30.12
c) Trade payables		
KDU Enterprises Private Limited	34.73	17.20
KDU Marine Equipment Trading and Maintenance LLC	0.51	10.11
KDU Worldwide Technical Services FZC	-	15.23
Philins Industrial Corporation	-	4.90
d) Lease deposits		
KDU Enterprises Private Limited	285.93	260.61
Philins Industrial Corporation	45.51	40.91
Ms. Rashmi Uchil	7.04	6.33
e) Payables to key management personnel and relatives		
Salaries and other employee benefits to whole-time directors, executive officers and relatives *	2.02	16.01
Director sitting fees to non-executive / independent directors	0.95	0.93

* As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel is not ascertainable and therefore not included above.

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(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

44. Leases

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Non-current	59.57	132.04
Current	68.23	248.06
Total	127.80	380.10

The following is the movement of lease liabilities

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the start of the year	380.10	630.29
Lease rent payment	(278.23)	(303.21)
Finance cost incurred	25.93	53.02
Balance at the end of the year	127.80	380.10

Amount recognized in statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on lease liabilities	25.93	53.02
Depreciation on right-of-use assets	279.09	308.77
Expense relating to short-term leases and low value assets	105.51	39.48
	410.53	401.27

The maturity analysis of lease liabilities is disclosed in Note 46.

45 Segment information

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker ("CODM"), in deciding how to allocate resources and assessing performance. The Board of Directors of the Group are identified as the CODM. Based on the nature of products and services, the risk and return profile of individual business and the internal business reporting systems, the Group has identified its reportable segments as under:

- Electricals and Electronics
- Solar

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Segment revenue		
(a) Electricals and Electronics	37,402.78	23,342.64
(b) Solar	230.08	1,786.02
Revenue from operations	37,632.86	25,128.66
B. Segment results		
(a) Electricals and Electronics	2,599.83	2,356.94
(b) Solar	(393.38)	(488.17)
Total	2,206.45	1,868.77
Less: Finance costs	(728.14)	(892.76)
Add: Other unallocable income net of unallocable expenses	465.74	715.33
Profit before tax	1,944.05	1,691.34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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Assets and liabilities used in the Group's business are not identified to any of the reportable segments as these are used interchangeably between segments. The Group believes that it is currently not practicable to provide segmental disclosure relating to total assets and liabilities since a meaningful segregation of the available data could be onerous.

Information about major customers

There are 2 (31 March 2021: Nil) customers contributing in excess of 10% of the total revenue of the Group amounting to Rs 10,823.66 lakhs for the year ended 31 March 2022 (31 March 2021: Nil).

46. Financial instruments

The classification of each category of financial instruments and their carrying amounts are as below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets measured at amortized cost:		
Trade receivables ^	17,217.98	17,340.18
Cash and cash equivalents ^	144.26	426.38
Bank balances other than cash and cash equivalents above ^	759.57	938.84
Loans ^	807.44	825.52
Other financial assets ^	816.79	749.51
Financial assets measured at fair value through profit or loss:		
Non current investments ^	325.44	333.86
Total financial assets	20,071.48	20,614.29
Financial liabilities measured at amortized cost:		
Borrowings ^	3,533.80	5,450.26
Lease liabilities ^	127.80	380.10
Trade payables ^	12,319.19	12,699.38
Other financial liabilities ^	556.46	268.49
Total financial liabilities	16,537.25	18,798.23

There are no financial instruments that have been classified as Fair Value through Other Comprehensive Income (FVTOCI).

^ Fair values for these financial instruments have not been disclosed because their carrying amount are a reasonable approximation of their fair values.

Fair value hierarchy

Particulars	Level 1	Level 2	Level 3	Total
As at 31 March 2022				
Financial assets:				
Non current investments:				
Investment in other companies	-	-	325.44	325.44
As at 31 March 2021				
Financial assets:				
Non current investments:				
Investment in other companies	-	-	333.86	333.86

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for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Financial instruments - risk management

The Group has exposure to the following risks arising from financial instruments: credit risk (refer note (b) below); liquidity risk (refer note (c) below) and market risk (refer note (d) below):

(a) Risk management framework

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The board oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(b) Credit risk

Credit risk is the risk that a counter party fails to discharge its obligation to the Group. The maximum credit risk comprises the carrying amounts of the financial assets. The Group's exposure to credit risk arises mainly from cash and cash equivalents, other bank balances, trade receivables, loans and other financial assets. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

(i) Credit risk management

Credit risk rating

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

Credit rating	Particulars	As at 31 March 2021	As at 31 March 2020
A: Low credit risk	Cash and cash equivalents, other bank balances, trade receivables, loans and other financial assets.	19,746.04	20,280.43

(ii) Credit risk exposure

Cash and cash equivalents and other bank balances

Credit risk related to cash and cash equivalents and other bank balances is managed by accepting highly rated banks and diversifying bank deposits and accounts in different banks. Management does not expect any losses from non-performance by these counterparties.

Loans and other financial assets measured at amortized cost

Loans and other financial assets measured at amortized cost includes lease deposits, staff advances, interest accrued on deposits, loans and other receivables. Credit risk related to these is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensures that amounts are within defined limits. The expected credit loss on these financial instruments is expected to be insignificant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Trade receivables

Credit risk arise from possibility that customer may default on its obligation to make timely payments, resulting into financial loss. The maximum exposure to the credit risk is primarily from trade receivables. The expected credit loss allowance is based on the ageing of the days for which the receivables are due and the expected loss rates.

Reconciliation of allowance for expected credit loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening balance	146.29	187.09
Change in allowance for expected credit loss:		
Changes in allowance for expected credit loss due to bad debts	-	(22.57)
Allowance for expected credit loss written back (net)	(11.62)	(18.23)
	(11.62)	(40.80)
Closing balance	134.67	146.29

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations on time. The Group's primary sources of liquidity are cash generated from operations. The cash flows from operating activities are driven primarily by operating results and changes in the working capital requirements.

The Group believe that its liquidity position is adequate to fund the operating and investing needs and to provide with flexibility to respond to further changes in the business environment.

Maturities of financial liabilities

Particulars	Carrying amount	Total	On demand	0–12 months	1–5 years	>5 years
As at 31 March 2022						
Borrowings	3,533.80	3,543.09	2,650.85	443.69	448.55	-
Lease liabilities	127.80	195.05	-	81.72	37.98	75.36
Trade payables	12,319.19	12,319.19	-	12,319.19	-	-
Other financial liabilities	556.46	556.46	20.92	535.54	-	-
Total	16,537.25	16,613.79	2,671.77	13,380.14	486.53	75.36

Particulars	Carrying amount	Total	On demand	0–12 months	1–5 years	>5 years
As at 31 March 2021						
Borrowings	5,450.26	5,505.26	4,026.33	562.57	916.36	-
Lease liabilities	380.10	469.05	-	273.99	111.48	83.58
Trade payables	12,699.38	12,699.38	-	12,699.38	-	-
Other financial liabilities	268.49	268.49	20.00	248.49	-	-
Total	18,798.23	18,942.19	4,046.33	13,784.43	1,027.84	83.58

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, which will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Foreign currency risk

The transactions of the Group are denominated in both Indian rupees and foreign currencies and accordingly, the Group is exposed to foreign exchange risk in relation to operating activities (when revenue or expense is denominated in a foreign currency) arising from foreign currency transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Foreign currency risk exposure

Particulars of unhedged foreign currency exposure :

Particulars	As at 31 March 2022		As at 31 March 2021		
	Amount in Foreign Currency	Amount equivalent in Rs. Lakhs	Amount in Foreign Currency	Amount equivalent in Rs. Lakhs	
Foreign currency receivables					
- representing advances	USD	18,11,789	1,362.47	8,48,624	620.01
	EURO	32,388	26.91	14,000	11.90
	NOK*	-	-	13,580	1.15
- representing trade receivables	USD	5,58,983	419.07	7,28,186	532.01
	EURO	37,095	30.83	64,303	54.64
Foreign currency payable					
representing trade payables	AED*	1,493	0.32	7,378	1.51
	USD	4,66,312	356.59	11,84,881	875.75
	EURO	7,68,766	660.60	3,88,377	338.28
	GBP*	7,767	7.84	-	-
- representing advances	USD	1,16,007	88.71	1,25,763	92.95
Foreign currency notes					
	EURO	75	0.06	75	0.06
	USD	322	0.24	560	0.41

* The Group does not expect any change in the exchange rate of AED / NOK/ GBP and INR, resulting into any significant impact to the financial numbers.

Sensitivity to risk

Particulars	Impact of profit - Increase / (decrease)	
	As at 31 March 2022	As at 31 March 2021
USD Sensitivity		
INR/USD - Increase by 5% (31 March 2021-5%)	66.82	9.19
INR/USD - Decrease by 5% (31 March 2021- 5%)	(66.82)	(9.19)
Euro Sensitivity		
INR/EURO - Increase by 5% (31 March 2021 - 5%)	(30.14)	(13.58)
INR/EURO - Decrease by 5% (31 March 2021 - 5%)	30.14	13.58

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates primarily relates to borrowings.

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate borrowings	3,308.01	5,144.15
Fixed rate borrowings	225.79	306.11
Total borrowings	3,533.80	5,450.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Particulars	Impact on profit -Increase / (decrease)	
	100 bp increase	100 bp decrease
Variable rate instrument as at 31 March 2022	(33.08)	33.08
Variable rate instrument as at 31 March 2021	(51.44)	51.44

47. Capital management

The funding requirements of the Group are met through a mixture of equity shares and borrowings. The Group's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through optimisation of debt and equity balance.

The Adjusted net debt to total equity ratio at the end of the reporting period was as follows:

Particulars	As at	As at
	31 March 2022	31 March 2021
Total borrowings	3,533.80	5,450.26
Lease liabilities	127.80	380.10
Less: Cash and cash equivalent and other bank balances	(903.83)	(1,365.22)
Adjusted net debt	2,757.77	4,465.14
Total equity	18,158.95	16,999.95
Adjusted net debt to total equity ratio	0.15	0.26

48 Contingent liabilities

Particulars	As at	As at
	31 March 2022	31 March 2021
a. Guarantees given by Company's bankers		
(i) Bank guarantee against advance and liquidated damages given to customers (net of liabilities accounted for) reduced by an amount of Rs 994.48 lakhs (31 March 2021: Rs 794.09 lakhs) towards the counter bank guarantee received from sub-contractors	2,655.76	2,137.72
(ii) Other bank guarantees provided under contractual / legal obligations reduced by an amount of Rs 172.37 lakhs (31 March 2021: Rs Nil) towards the counter bank guarantee received from sub-contractors	3,840.13	5,166.94
(iii) Foreign bank guarantees	38.59	121.05
b. Letter of credit opened in favour of suppliers	815.31	832.10
d. Bills discounted with bank	1,142.36	357.67
e. Disputed tax liabilities in respect of pending cases before appellate authorities [amount deposited under protest Rs Nil (31 March 2021: Rs Nil)] {refer note (i)}	112.88	123.36
f. Custom duty [amount deposited under protest Rs 65.00 lakhs (31 March 2021: Rs 65.00 lakhs)] {Refer note (ii)}	132.62	132.62

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for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Notes :

(i) The various disputed tax litigations are as under :

Particulars	Period to which it relates	As at 31 March 2022	As at 31 March 2021
a. Income Tax			
Disallowances / additions / demand raised by the income tax department pending before various appellate authorities	AY 13-14 to AY 16-17 and AY 18-19 (31 March 2021: AY 13-14 to AY 16-17)	18.90	31.84
b. Income Tax (Indian Subsidiary)			
Disallowances / additions made by the income tax department pending before various appellate authorities	AY 06-07 to AY 11-12 and AY 18-19 (31 March 2021: AY 06-07 to AY 11-12 and AY 18-19)	20.40	20.40
c. Sales Tax / VAT			
Demands raised by Sales tax / VAT department pending before various appellate authorities	FY 09-10 and FY 16-17 (31 March 2021: FY 09-10 and FY 16-17)	71.12	71.12
d. Goods & Service Tax			
Demands raised by GST department pending before various appellate authorities	FY 17-18 (31 March 2021: NA)	2.46	-
		112.88	123.36

The Group is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the consolidated financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceedings will not have a material adverse effect on the Group's financial position and results of operations.

- (ii) The Group has received a demand order dated 31.08.2020 from the office of The Commissioner of Customs raising a demand of Rs 120.62 lakhs on the Group u/s 28(8) of the Customs Act, 1962 read with section 5(1) of IGST Act, 2017 with regards to classification under incorrect CTH of copper busbar imported by the Group during the period from 13.08.2014 to 30.10.2018. The order also imposes a penalty of Rs 12 lakhs on the Group and interest u/s 28AA of the Customs Act, 1962. The amount disclosed above is exclusive of interest as the same is not currently quantifiable. The Group has filed an appeal against the said order on 23.10.2020. Based on the legal opinion obtained by the Group from an independent firm of advocates, the management believes that the ultimate outcome of the proceedings will not have an adverse effect on the Group's financial position.
- (iii) During the year, the Company has received summons under section 70 of Central Goods and Services Tax Act, 2017 for making inquiry and seeking production of documents in respect of certain invoices, bank guarantee invocation and write backs alongwith details of payments during the period from July 2017 to March 2021. During the year, the Company has made payment of Rs 160.31 lakhs under protest. The Company has submitted details / documents with the authorities. Pending assessment, the Company has shown the above payment under balance with government authorities.
- (iv) The Supreme court of India had passed a judgement in the month of February 2019 relating to definition of wages under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Management is of the view that there are interpretative challenges on the application of the judgement. However, the Group is in the process of determining the possible impact and update its provision, if required. The Management does not expect any material impact of the same for financial year 2021-22 based on the present salary structure followed by the Group for its class of employees.

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49 Capital and other commitments:

Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)

Particulars	As at	
	31 March 2022	31 March 2021
Property, plant and equipment	343.62	624.37

50 Interests in other entities

(a) Subsidiaries / Step down subsidiary

The Holding Company's subsidiaries at 31 March 2022 are set out below. The country of incorporation or registration is also their principal place of business.

Name of entity	Principal place of business / place of incorporation	Ownership interest held by Group		% of non controlling interest	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
Eltech Engineers Madras Private Limited	India	70.00%	70.00%	30.00%	30.00%
Narhari Engineering Works	India	80.00%	80.00%	20.00%	20.00%
Evigo Charging Consultants Private Limited	India	74.00%	74.00%	26.00%	26.00%
MEL Power Systems FZC	United Arab Emirates	90.00%	90.00%	10.00%	10.00%
STI SRL, subsidiary of MEL Power Systems FZC	Italy	67.50%	67.50%	32.50%	32.50%

(b) Non controlling interest

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for the subsidiaries are before inter-company eliminations.

Summarised balance sheet	As at 31 March 2022				
	Eltech Engineers Madras Private Limited	Narhari Engineering Works	MEL Power Systems FZC	STISRL	Evigo Charging Consultants Private Limited
Current assets	7.22	1,417.46	3,907.56	4,449.32	36.22
Current liabilities	274.04	780.38	1,443.08	4,050.10	41.69
Net current assets	(266.82)	637.08	2,464.48	399.22	(5.47)
Non-current assets	3.97	315.64	828.67	1,078.71	21.71
Non-current liabilities	-	-	-	-	-
Net non-current assets	3.97	315.64	828.67	1,078.71	21.71
Net assets	(262.85)	952.72	3,293.16	1,477.93	16.24
Less: Additional capital contribution by the Company over profit sharing ratio	-	(279.52)	-	-	-
Less: Contribution towards preference share capital by the Company	-	-	-	-	(69.04)
Net assets for Non Controlling Interest attribution	(262.85)	673.20	3,293.16	1,477.93	(52.80)
Accumulated Non Controlling Interest	(78.86)	134.64	329.32	480.33	(13.73)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

Summarised balance sheet	As at 31 March 2022				
	Eltech Engineers Madras Private Limited	Narhari Engineering Works	MEL Power Systems FZC	STISRL	Evigo Charging Consultants Private Limited
Current assets	28.73	1,128.35	3,652.53	4,610.92	3.98
Current liabilities	375.31	274.30	1,339.88	3,973.62	1.35
Net current assets	(346.58)	854.05	2,312.64	637.30	2.63
Non-current assets	70.39	326.13	798.90	864.39	5.47
Non-current liabilities	-	11.34	-	-	-
Net non-current assets	70.39	314.79	798.90	864.39	5.47
Net assets	(276.19)	1,168.84	3,111.54	1,501.69	8.10
Less: Additional capital contribution by the Company over profit sharing ratio	-	(625.54)	-	-	-
Less: Contribution towards preference share capital by the Company	-	-	-	-	(18.66)
Net assets for Non Controlling Interest attribution	(276.19)	543.30	3,111.54	1,501.69	(10.56)
Accumulated Non Controlling Interest	(82.86)	108.66	311.15	488.05	(2.74)

Summarised Statement of profit and loss	For the year ended 31 March 2022				
	Eltech Engineers Madras Private Limited	Narhari Engineering Works	MEL Power Systems FZC	STISRL	Evigo Charging Consultants Private Limited
Revenue from operations	6.17	1,382.64	1,333.61	2,881.81	42.85
Profit / (Loss) for the year	13.34	129.88	64.48	14.28	(42.25)
Other comprehensive income	-	-	(117.14)	38.04	-
Total comprehensive income	13.34	129.88	(52.66)	52.32	(42.25)
Allocated to Non Controlling Interest	4.01	25.98	(5.27)	17.01	(10.98)

Summarised Statement of profit and loss	For the year ended 31 March 2021				
	Eltech Engineers Madras Private Limited	Narhari Engineering Works	MEL Power Systems FZC	STISRL	Evigo Charging Consultants Private Limited
Revenue from operations	170.72	721.50	2,709.64	2,324.10	-
Profit / (Loss) for the year	(18.74)	49.57	582.95	13.49	(13.40)
Other comprehensive income	-	-	81.19	(49.83)	-
Total comprehensive income	(18.74)	49.57	664.14	(36.33)	(13.40)
Allocated to Non Controlling Interest	(5.62)	9.91	66.41	(11.82)	(3.49)

Summarised Cash flows	For the year ended 31 March 2022				
	Eltech Engineers Madras Private Limited	Narhari Engineering Works	MEL Power Systems FZC	STISRL	Evigo Charging Consultants Private Limited
Cash flow from operating activities	0.86	394.08	273.66	193.03	(23.26)
Cash flow from investing activities	60.22	(26.53)	-	(366.83)	24.61
Cash flow from financing activities	(63.16)	(342.00)	(342.94)	-	50.13
Net Increase/(decrease) in cash and cash equivalents	(2.08)	25.55	(69.28)	(173.81)	51.48
Allocated to Non Controlling Interest	(0.62)	5.11	(6.93)	(56.49)	13.39

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Summarised Cash flows	For the year ended 31 March 2021				
	Eltech Engineers Madras Private Limited	Narhari Engineering Works	MEL Power Systems FZC	STISRL	Evigo Charging Consultants Private Limited
Cash flow from operating activities	(0.06)	57.53	389.48	504.97	(14.46)
Cash flow from investing activities	37.71	(15.30)	137.68	(320.99)	(5.52)
Cash flow from financing activities	(51.19)	(62.99)	(521.61)	-	21.62
Net Increase/(decrease) in cash and cash equivalents	(13.54)	(20.76)	5.55	183.98	1.64
Allocated to Non Controlling Interest	(4.06)	(4.15)	0.55	59.79	0.43

51 Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III of the Companies Act 2013 :

Name of the entities	Net assets as on 31 March 2022 i.e. total assets minus total liabilities		Share in profit or (loss) for 31 March 2022		Share in other comprehensive income for 31 March 2022		Share in total comprehensive income for 31 March 2022	
	As % of consolidated net assets	Amount	As % of consolidated Profit & Loss	Amount	As % of consolidated Profit & Loss	Amount	As % of consolidated Profit & Loss	Amount
Parent								
Marine Electricals (India) Limited	79.39%	14,416.07	93.89%	1,246.64	-0.44%	0.35	99.83%	1,246.99
Subsidiaries / step down subsidiary								
Eltech Engineers Madras Private Limited	-1.45%	(262.85)	1.00%	13.34	-	-	1.07%	13.34
Narhari Engineering Works	5.25%	952.72	9.78%	129.88	-	-	10.40%	129.88
Evigo Charging Consultants Private Limited	0.09%	16.24	-3.18%	(42.25)	-	-	-3.38%	(42.25)
MEL Power Systems FZC	18.14%	3,293.16	4.86%	64.48	148.75%	(117.14)	-4.22%	(52.66)
STI SRL	8.14%	1,477.93	1.08%	14.28	-48.31%	38.04	4.19%	52.32
Non controlling interest	3.86%	700.58	2.27%	30.10	-0.83%	0.65	2.46%	30.75
Less: Consolidation adjustments	-13.41%	(2,434.90)	-9.69%	(128.64)	0.83%	(0.65)	-10.35%	(129.30)
Total	100.00%	18,158.95	100.00%	1,327.82	100.00%	(78.75)	100.00%	1,249.07

Name of the entities	Net assets as on 31 March 2021 i.e. total assets minus total liabilities		Share in profit or (loss) for 31 March 2021		Share in other comprehensive income for 31 March 2021		Share in total comprehensive income for 31 March 2021	
	As % of consolidated net assets	Amount	As % of consolidated Profit & Loss	Amount	As % of consolidated Profit & Loss	Amount	As % of consolidated Profit & Loss	Amount
Parent								
Marine Electricals (India) Limited	78.75%	13,387.59	57.85%	782.85	34.64%	16.62	57.06%	799.47
Subsidiaries / step down subsidiary								
Eltech Engineers Madras Private Limited	-1.62%	(276.19)	-1.38%	(18.74)	-	-	-1.34%	(18.74)
Narhari Engineering Works	6.88%	1,168.84	3.66%	49.57	-	-	3.54%	49.57
Evigo Charging Consultants Private Limited	0.05%	8.11	-0.99%	(13.40)	-	-	-0.96%	(13.40)
MEL Power Systems FZC	18.30%	3,111.54	43.08%	582.95	169.21%	81.19	47.40%	664.14
STI SRL	8.83%	1,501.69	1.00%	13.49	-103.85%	(49.83)	-2.59%	(36.33)
Non controlling interest	4.12%	700.89	4.69%	63.47	-16.82%	(8.07)	3.95%	55.40
Less: Consolidation adjustments	-15.31%	(2,602.52)	-7.91%	(107.00)	16.82%	8.07	-7.06%	(98.93)
Total	100.00%	16,999.95	100.00%	1,353.19	100.00%	47.98	100.00%	1,401.17

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

52 Trade receivable ageing:

Ageing for trade receivables - current outstanding as at 31 March 2022

Particulars	Non- Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed trade receivable - considered good	7,045.38	5,797.22	604.75	409.27	500.36	2,859.82	17,216.80
Undisputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivable - credit impaired	-	-	-	-	-	-	-
Disputed trade receivable - considered good	-	-	-	-	-	117.35	117.35
Disputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivable - credit impaired	-	-	-	-	-	-	-
Total	7,045.38	5,797.22	604.75	409.27	500.36	2,977.17	17,334.15
Less: Allowance for expected credit loss							116.17
Total trade receivables							17,217.98

Ageing for trade receivables - current outstanding as at 31 March 2021

Particulars	Non- Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed trade receivable - considered good	6,434.85	6,822.09	280.27	684.21	824.09	2,295.13	17,340.64
Undisputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivable - credit impaired	-	-	-	-	-	-	-
Disputed trade receivable - considered good	-	-	-	-	7.20	110.15	117.35
Disputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivable - credit impaired	-	-	-	-	-	-	-
Total	6,434.85	6,822.09	280.27	684.21	831.29	2,405.28	17,457.99
Less: Allowance for expected credit loss							117.79
Total trade receivables							17,340.18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

53 Trade payable ageing:

Ageing for trade payables - current outstanding as at 31 March 2022

Particulars	Non- Due	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	81.22	1.62	4.80	-	87.64
Others	-	9,847.43	583.77	525.75	994.34	11,951.29
Disputed dues -MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	104.37	104.37
Total	-	9,928.65	585.39	530.55	1,098.71	12,143.21
Add: Accrued expenses						175.89
Total trade payables						12,319.19

Ageing for trade payable outstanding as at 31 March 2021

Particulars	Non- Due	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	50.42	7.69	-	-	58.11
Others	-	9,832.61	1,439.54	881.55	260.77	12,414.47
Disputed dues -MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	104.37	104.37
Total	-	9,883.03	1,447.23	881.55	365.14	12,576.95
Add: Accrued expenses						122.43
Total trade payables						12,699.34

54 Capital work in progress ageing

Particulars	Amount in Capital work in progress for a period of				Total
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	
Projet in progress	198.79	-	-	-	198.79
Total	198.79	-	-	-	198.79

Particulars	Amount in Capital work in progress for a period of				Total
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	
Projet in progress	-	-	-	-	-
Total	-	-	-	-	-

Note:

There is no project under Capital work in progress ageing whose completion is overdue or has exceeded its cost compared to its original plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

55 Intangible assets under development ageing

Particulars	Amount in Capital work in progress for a period of				Total
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	
Projet in progress	4.50	-	-	-	4.50
Total	4.50	-	-	-	4.50

Particulars	Amount in Capital work in progress for a period of				Total
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	
Projet in progress	-	-	-	-	-
Total	-	-	-	-	-

Note:

There is no project under Intangible assets under development ageing whose completion is overdue or has exceeded its cost compared to its original plan.

56 Subsequent events

There are no significant reportable subsequent events that have occurred after the reporting period till the date of this financial statements.

57 Other statutory information

- i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii) The Group is not declared wilful defaulter by any bank or Financial institution or other lender during the year.
- iii) The Group does not have any transactions with companies struck off.
- iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Company or its subsidiaries incorporated in India 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:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or its subsidiaries incorporated in India (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vi) The Company or its subsidiaries incorporated in India has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company or its subsidiaries incorporated in India shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- vii) The Group does not have not any 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

58 In the opinion of the board of directors, assets, loans and advances have a value on realization in the ordinary course of the business at least equal to the amounts at which they are stated and provision for all known liabilities have been made.

59 The Group did not have any long-term contracts including derivative contracts for which there were any foreseeable losses as at 31 March 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

60 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

61 Estimation uncertainty relating to the global health pandemic on COVID-19

The Group has evaluated the possible impact of this pandemic on the business operations and the financial position of the Group and based on its assessment, believes that there is no significant impact on the financial statements of the Group, as at and for the year ended 31 March 2022. The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

62 The Company during financial year 2017-18 paid to a supplier in China an advance of USD 8,00,000 carried at Rs 584.48 lakhs as at 31 March 2022 (31 March 2021: USD 8,00,000 carried at Rs 584.48 lakhs), for procurement of solar PV modules. The Company has initiated arbitration proceedings against the supplier by appointing an independent arbitration professional. Pending recovery of the advance paid or procurement of material against the said advance, the Company believes that this advance is recoverable and it continues to carry the said advance as unsecured and considered good under "Other current assets".

63 Eltech Engineers Madras Private Limited, a subsidiary company ("Eltech"), has negative networth of Rs 262.85 lakhs and accumulated losses of Rs 292.85 lakhs as at 31 March 2022. Additionally, its current liabilities (Rs 274.04 lakhs) exceeded its current assets (Rs 7.22 lakhs) by Rs 266.82 lakhs. These conditions indicate the existence of material uncertainty about Eltech's ability to continue as a going concern. However, the standalone financial statements of Eltech have been prepared on a going concern basis as the Company has committed to provide all financial and other support to enable Eltech to operate as a going concern. The financial statements of Eltech are not material to the Group.

64 In case of subsidiaries incorporated outside India, accounting policy with regards to depreciation on property, plant and equipment (tangible assets) and amortisation of intangible assets is different as compared to the written down value method adopted by the Company and other subsidiary incorporated in India. The consequential financial impact of adjustments on account of depreciation that would be required to be made in the consolidated financial statements to ensure conformity with the Group's accounting policy for depreciation is currently not ascertainable.

65 Acquisition made during previous year

The Board of Directors of the Holding Company on 30 July 2019 approved the acquisition of 74% paid-up equity share capital of Evigo Charging Consultants Private Limited ("Evigo"), a company comprising of 38,462 equity shares of Rs.10 each. The process of acquisition of Evigo was completed on 09 October 2020. The Holding Company has paid consideration of Rs. 2.84 lakhs for the acquisition of Evigo in the previous year. The Group has accounted the transaction as an asset acquisition.

66 Advance towards purchase of equity instruments

(a) During the year, the Company has entered into Share Purchase Agreement ("SPA") dated 23 February 2022 with a non-resident individual (the "Vendor") to purchase 75 class "A" Common Shares ("Vendor's Shares") of Xanatos Marine Ltd ("Xanatos"), a Canadian Company, held by the Vendor in Xanatos and representing 75% of all the issued and outstanding shares of Xanatos for a total consideration of USD 1,550,000 (at a fair value of USD 20,667 per share). The total consideration is to be paid by the Company to the Vendor in tranches on or before 30 September 2022. During the year, the Company has paid USD 950,000 (equivalent Rs 731.66 lakhs). The transfer of shares to the Company is subject to fulfilment of conditions precedent as per SPA and payment of entire consideration.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lakhs, unless otherwise stated)

(b) During the year, the Company has entered into Memorandum Of Understanding ("MOU") dated 07 May 2021 with an individual and his HUF to purchase their entire shareholding held in a Private Limited company engaged in marine electronic products. As per the terms of MOU, during the year, the Company subject to valuation of shares has agreed to lend Rs 100.00 lakhs as advance. Pending the due diligence and share valuation, the Company has recognised an interest income of Rs 9.73 lakhs on the said advance for the year ended 31 March 2022.

67 Dividends

Dividends paid by the Company during the year ended 31 March 2022 include an amount of 0.2 per equity share towards final dividend for the year ended 31 March 2021.

68 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiary incorporated in India during the year ended 31 March 2022.

69 Previous year's figures

Previous year's figures have also been regrouped / recasted, wherever necessary, to conform to the current year's presentation.

As per our report of even date attached

For SAINI PATI SHAH & CO LLP

Chartered Accountants

Firm's Registration No: 137904W/W100622

Som Nath Saini

Partner

Membership No: 093079

Venkatesh Uchil

Managing Director

DIN: 01282671

Namita Sethia
Chief Financial Officer

Place : Mumbai,
Date : 27 May 2022

For and on behalf of the Board of Directors of Marine Electricals (India) Limited

Vinay Uchil

Chairman and Executive Director

DIN: 01276871

Mitali Ambre
Company Secretary and Compliance Officer

Place : Mumbai,
Date : 27 May 2022

Place : Mumbai,
Date : 27 May 2022



CIN : L31907MH2007PL176443

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