



**MOVING
TOWARDS
A NEW
DIGITAL ERA**

Annual Report

2019 - 2020



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

At Marine Electricals, we help our customers in different segments, across the world to manage increasing 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 Oil & Gas, Chemicals, Pharmaceuticals, Automobile, Data Centers and Buildings.

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 OHSAS28001 plant has latest state of art machinery, including CNC turrets & bending machines, automated powder coating plant and large assembly area to ensure meet challenging project schedules.

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**Dear Shareholders,**

I am pleased to share with you on behalf of our Board of Directors an update on your Company's performance for 2019-20. The year saw a challenging business environment with lower GDP on a backdrop of sluggish global economy. The period leading up to the lockdown and the subsequent stoppage of all economic activity due to the coronavirus pandemic from 20th march, 2020 has adversely affected your Company's operations in late FY 2019-20 as well as the better part of Q1 FY 2020-21. We do expect the impact to ease during the second quarter though normalcy may be restored only during second half of the fiscal. Against this backdrop, your Company has delivered competitive, profitable and responsible results.

India plans to spend \$130 bn on military modernisation 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 results are seen in more than doubling our order book position from Rs. 1878 million at end of FY19 to Rs. 4017 million for FY20. with the increase in portfolio of products to our customers we anticipate a further increase and robust order booking for FY21 as well. Our continued focus on R&D on new product developments & indigenisation and product and solutions improvement 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 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.

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,

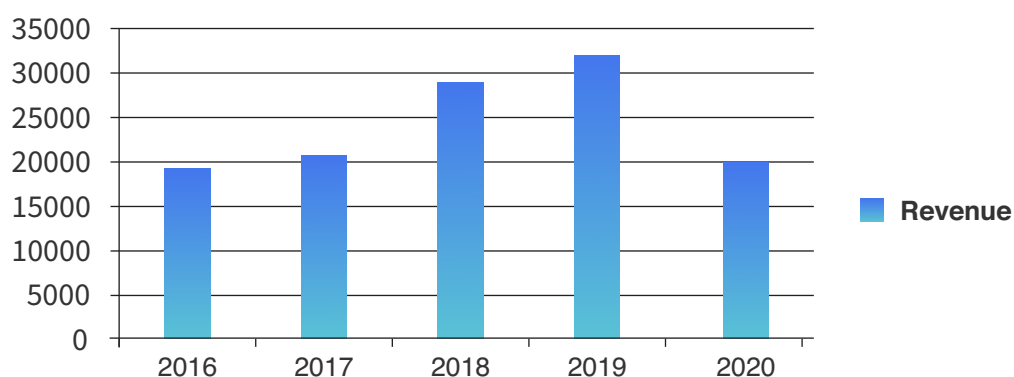
Mr. Vinay Uchil

Chairman and Wholetime Director

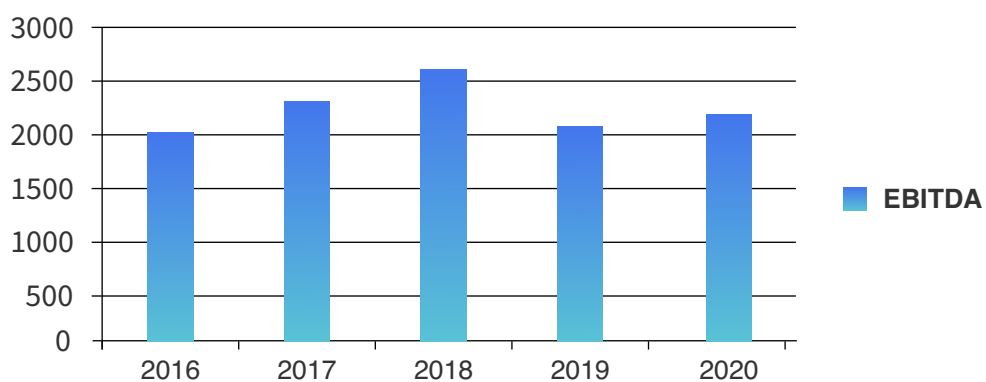
Standalone:

Year	Revenue (In Rs. Lacs)	EBITDA (In Rs. Lacs)	PAT (In Rs. Lacs)	Net Worth (In Rs. Lacs)	Book Value (Rs.)
2016	19,344.95	2,013.73	792.60	5,015.99	29.20
2017	20,944.17	2,313.16	861.14	5,874.74	34.20
2018	28,766.39	2,622.68	1,172.41	7,547.49	41.84
2019	32,323.03	2,072.46	777.72	12,413.08	50.60
2020	20,771.13	2,126.51	637.81	13,050.89	53.20

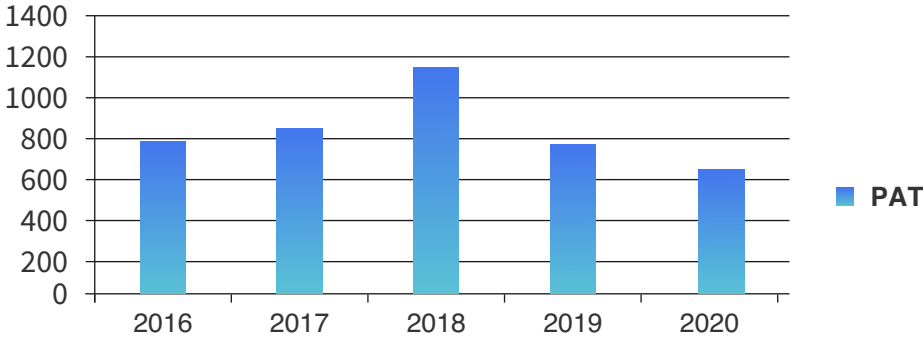
Revenue in Lacs



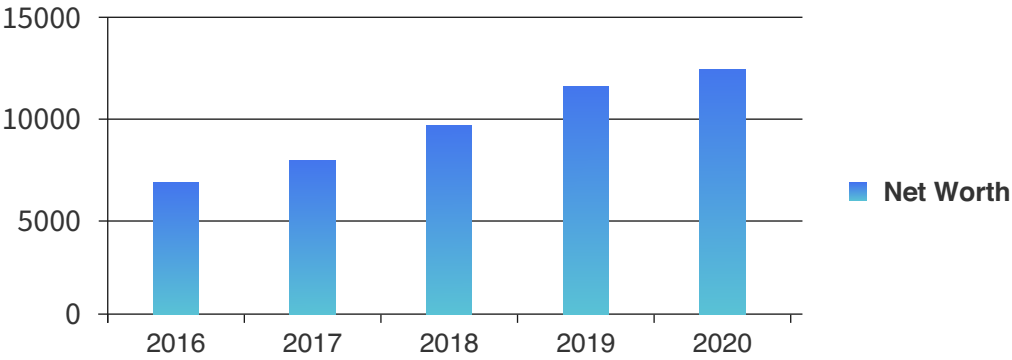
EBITDA in Lacs



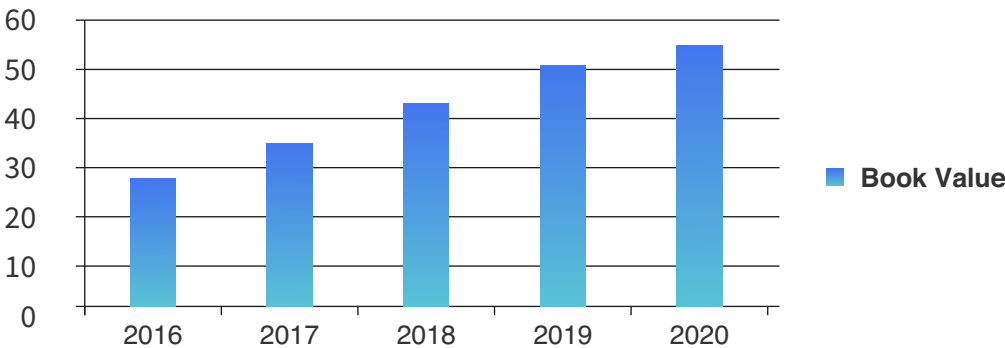
PAT in Lacs



Net Worth in Lacs



Book Value



**Mr. Vinay Uchil**

Chairman and Whole-Time Director

Mr. Vinay Uchil, aged 49 years, is Chairman & Whole-Time 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 1999 and since then he is actively involved in Marketing, Finance and Administration functions of the Marine and Solar Division of the Organisation. Currently, He is involved in getting the orders from Defense and Public sector undertakings dealing in Shipping Industry. 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 42 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 1999 and since then he is actively involved in procurement, production and technical areas of the entity. He has 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 procured 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.

**Dr. Tanuja Pudhierkar**

Non-Executive Non-Independent Director

Dr. Tanuja Pudhierkar, aged 47 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.

**Mr. Shailendra Shukla**

Non-Executive and Non-Independent Director

Mr. Shailendra Kumar Shukla, aged 52 years, is the Non-Executive Non-Independent Director 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 and Independent Director

Mr. Madan Pendse, aged 69 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 Accounting 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 Chief Financial Officer (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

**Mr. Nikunj Mishra**

Non-Executive and Independent Director

Mr. Nikunj Mishra, aged 64 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 with Indian Navy at various levels and 4 years of experience with 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 62, is Additional Director to be designated as Non-Executive Independent Director on the Board of Company. He holds Bachelors Degree in Electrical Engineering and has Masters Degree in Marketing from Jamnalal Bajaj Institute Of Management Studies. He is a certified Energy Auditor and a Chartered Engineer. He has over two decades of experience with Companies like Crompton and Greaves and Schneider Electric Ltd. He is Promoter Director of Oasis Energy & Applied Technologies Pvt Ltd since 2014.

**Mr. Mohan Rao**

Non-Executive Independent Director

Mr. Mohan Rao, aged 71 Years, is Additional Director to be designated as 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.

BOARD OF DIRECTORS

Mr. Vinay K Uchil
(Chairman and Wholetime Director)

Mr. Venkatesh K Uchil
(Managing Director)

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

Mr. Shailendra Shukla
(Non-Executive Non - Independent)

Mr. Madan Pendse
(Non-Executive Independent Director)

Mr. Nikunj Mishra
(Non-Executive Independent Director)

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

Mr. Mohan Rao
(Additional Non-Executive Independent Director)

CHIEF FINANCIAL OFFICER

Mr. Rohit Shetty
(03rd August, 2018 to 19th October, 2019)

Mr. Aditya Desai
(14th November, 2019 to 24th June, 2020)

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Vedashri Chaudhari
(07th December, 2018 to 23rd May, 2019)

Ms. Reesha Ratanpal
(20th July, 2019)

Registered Office Address

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

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

Khandelwal Kothari and Associates

CS Sheetal Kothari Khandelwal

Company Secretaries

B-211, Swapnalok Apartments, Off. Nagardas
Road, Mogra Village, Andheri (E) Mumbai - 400 069

REGISTRAR AND SHARE TRANSFER AGENTS

Bigshare Services Pvt Ltd

Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis,
Makwana Road Marol, Andheri - East, Mumbai - 400059

BANKERS

Axis Bank

ICICI Bank

State Bank of India

SHARES LISTED ON

National Stock Exchange of India Limited
(SME Emerge Platform)

Symbol: MARINE

ISIN: INE01JE01010

Plant Locations

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

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

Notice is hereby given that the 13th Annual General Meeting (AGM) of Members of **Marine Electricals (India) Limited** (the 'Company') will be held on Monday, 28th September, 2020 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. To receive, consider and adopt the Audited Financial Statement (including the Consolidated Financial Statement) for the financial year ended 31st March, 2020 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Shailendra Shukla (DIN: 08049885), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:**3. TO APPOINT MR. VIKAS JAYWANT (DIN: 06607484) AS NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY.**

To consider and if thought fit, to pass the following Resolution as **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modifications or re-enactment thereof for the time being in force), Mr. Vikas Jaywant (DIN: 06607484), who was appointed as an Additional (Non-Executive Independent) Director of the Company by the Board of Directors through Circular Resolution passed on 24th February, 2020 and who holds office till the conclusion of this AGM in terms of Section 161 of the Companies Act, 2013, who is eligible for appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and who has submitted a declaration to that effect and declaration under Section 164 of the Companies Act, 2013 declaring that he is not disqualified to become the Director and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Mr. Vikas Jaywant (DIN: 06607484) as a candidate for the office of a Non-Executive Independent Director of the Company and whose appointment has been recommended by Nomination and Remuneration Committee and Board of Directors of the Company, be and is hereby appointed as Non-Executive Independent Director of the Company for a period up to 23rd February, 2025, not liable to retire by rotation.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Vinay K Uchil, Chairman and Whole-Time Director or Mr. Venkatesh Uchil, Managing Director or Ms. Reesha Ratanpal, Company Secretary and Compliance Officer of the Company be and are hereby severally authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution."

4. TO APPOINT MR. MOHAN RAO (DIN: 02592294) AS NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY.

To consider and if thought fit, to pass the following Resolution as **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modifications or re-enactment thereof for the time being in force), Mr. Mohan Rao (DIN: 02592294), who was appointed as an Additional (Non-Executive Independent) Director of the Company by the Board of Directors through Circular Resolution passed on 30th May, 2020 and who holds office till the conclusion of this AGM in terms of Section 161 of the Companies Act, 2013, who is eligible for appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and who has submitted a declaration to that effect and declaration under Section 164 of the Companies Act, 2013 declaring that he is not disqualified to become the Director and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Mr. Mohan Rao (DIN: 02592294) as a candidate for the office of a Non-Executive Independent Director of the Company and whose appointment has been recommended by Nomination and Remuneration Committee and Board of Directors of the Company, be and is hereby appointed as Non-Executive Independent Director of the Company for a period up to 29th May, 2023, not liable to retire by rotation.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Vinay K Uchil, Chairman and Whole-Time Director or Mr. Venkatesh Uchil, Managing Director or Ms. Reesha Ratanpal, Company Secretary and Compliance Officer of the

Company be and are hereby severally authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution.”

NOTES:

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”), relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 08th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by Circular No. 20/2020 dated 05th May, 2020 and Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2019, physical attendance of the Members to the AGM venue is not required and AGM be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. Pursuant to the Circular No. 14/2020 dated 08th April, 2020, issued by the MCA, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Hence Proxy Form and Attendance Slip 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 and akansha@akansharathi.com.
4. 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.
5. 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 Circulars issued by the MCA dated 08th April, 2020, 13th April, 2020 and 05th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by NSDL.
6. In line with the MCA Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.marineelectricals.com. 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.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 08th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020 and MCA Circular No. 20/2020 dated 05th May, 2020.
8. In terms of Section 152 of the Act, Mr. Shailendra Shukla, Non-Executive Non-Independent Director, shall retire by rotation at the ensuing AGM. Mr. Shailendra Shukla (DIN:08049885), being eligible, offers himself for re-appointment.
The Board of Director’s of the Company recommends re-appointment of Mr. Shailendra Shukla.
9. Details of Director, proposed to be appointed/re-appointed at the ensuing AGM, as required by Secretarial Standards on General Meetings (SS – 2) are forming part of this Notice. Requisite declarations has been received from the Directors for their appointment/ re-appointment.
10. The Company’s Statutory Auditors, Saini Pati Shah & Co LLP (Formerly knows 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 of the

Members held on 31st August 2018. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from 07th 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. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

11. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 22nd September, 2020 to Monday, 28th September, 2020 (both days inclusive) for the purpose of Annual General Meeting (AGM).
12. Members are requested to:
 - a. intimate to the Company's Registrar and Share Transfer Agent (RTA), changes, if any, in their registered addresses at an early date, in case of shares held in physical form;
 - b. intimate to the respective DP, changes, if any, in their registered addresses/email ID or bank mandates to their DP with whom they are maintaining their demat accounts.
 - c. quote their Folio Numbers/Client ID/DP ID in all correspondence; and
 - d. consolidate their holdings into one Folio in case they hold shares under multiple Folios in the identical order of names.
13. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participants in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to Depository Participant (DP). Members holding shares in physical forms are required to submit their PAN details to RTA.
14. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.marineelectricals.com, website of the National Stock Exchange of India Limited (NSE) at www.nseindia.com.
15. Members are requested to register/update their e-mail addresses with the DP (in case of shares held in dematerialized form) or with RTA (in case of shares held in physical form) which will help us in prompt sending of Notices, annual reports and other shareholder communications in electronic form.
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. Relevant documents referred to in the accompanying Notice and in the Explanatory Statement will be available for inspection by the Members in electronic mode on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. up to the date of this AGM and also at the AGM.
18. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 08th June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1st April, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company promptly.
19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
20. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company. Members desiring inspection may send their request in writing to the Company at cs@marineelectricals.com.

21. Voting through electronic means:

- a. The remote e-Voting period will commence on Thursday, 24th September, 2020 (9.00 a.m) and will end on Sunday, 27th September, 2020 (5.00 p.m). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 21st September, 2020, may cast their votes through remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting after 5.00 pm (IST) on Sunday, 27th September, 2020 and remote e-Voting shall not be allowed beyond the said time.
- 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, 21st September, 2020.
- d. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of AGM Notice and holding shares as of the cut-off date for AGM Notice, i.e. Friday, 28th August, 2020, may refer to this Notice of the AGM of the Company, posted on Company's website www.marineelectrials.com for detailed procedure with regard to remote e-Voting. The Notice shall also be available on the NSDL's website at www.evoting.nsdl.com . Any person, who ceases to be the member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.
- e. The Company has appointed Ms. Akansha Rathi, Practicing Company Secretary (Membership No. 9288) from M/s Akansha Rathi & Associates, Company Secretaries in Practice, 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 48 hours after 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 scrutiners report shall be placed on the Company's website www.marineelectricals.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared by the Chairman.

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

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

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

Details on Step 1 is mentioned below:

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 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL 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. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need 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.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

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

- 1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- 2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.

3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc, with with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to akansha@akansharathi.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password or Physical User Reset Password option available on www.evoting.nsdl.com 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.: 1800-222-990 or send a request 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.

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.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the 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 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 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 AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at [https:// www.evoting.nsdl.com](https://www.evoting.nsdl.com) under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

NOTICE

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 Laptops connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request, along with the questions, from their registered e-mail id mentioning their name, DP ID and Client ID / Folio No., PAN, Mobile No. at cs@marineelectricals.com at least 7 days before i.e Monday, 21st September, 2020 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/questions depending on the availability of time for the AGM.

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

- A. Ms. Pallavi Mhatre, Manager
E-voting Helpdesk
National Securities Depositories Limited
Email: evoting@nsdl.co.in
Phone: 022 - 24994545
- B. Ms. Reesha Ratanpal, 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. Vinayak Morbale
Bigshare Services Pvt Ltd (RTA)
Registered Office: Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis,
Makwana Road Marol, Andheri – East, Mumbai – 400059
Email: vinayak@bigshareonline.com
Phone: 022 62638200

By Order of the Board of Directors
Sd/-
Mr. Vinay Uchil
Chairman and Wholetime Director
DIN: 01276871

Mumbai, 30th July, 2020

Registered Office:

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

CIN : L31907MH2007PLC176443

Email ID : cs@marineelectricals.com

Website: 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 and 4 of the Notice

Item No 3:

Mr. Vikas Jaywant (DIN: 06607484) was appointed as an Additional (Non-Executive Independent) Director in accordance with the provisions of Section 161 of the Companies Act, 2013 by the Board of Directors through Circular Resolution passed on 24th February, 2020. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Vikas Jaywant (DIN: 06607484) will hold office till the conclusion of this AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Mr. Vikas Jaywant (DIN: 06607484) for the office of Non-Executive Independent Director of the Company and to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Nomination and Remuneration Committee and the Board of Directors, at their respective meetings held on 30th July, 2020, considered and recommended the appointment of Mr. Vikas Jaywant (DIN: 06607484) as a Non-Executive Independent Director of the Company to hold office for a period up to 23rd February, 2025, not liable to retire by rotation. In the opinion of Nomination and Remuneration Committee and the Board, Mr. Vikas Jaywant (DIN: 06607484), the Non-Executive Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management. He is also registered as Independent Director in Independent Director's Data Bank.

The Company has received from Mr. Vikas Jaywant (DIN: 06607484) (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

A copy of the draft letter for the appointment of Mr. Vikas Jaywant (DIN: 06607484) as Non-Executive Independent Director setting out the terms and conditions are uploaded on the website of the Company.

Brief profile of Mr. Vikas Jaywant (DIN: 06607484) as required under 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) issued by the Institute of Company Secretaries of India (ICSI), is forming a part of this Notice.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members. None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Vikas Jaywant (DIN: 06607484) is in any way, concerned or interested in the Resolution at Item No. 3 of the Notice.

Item No 4:

Mr. Mohan Rao (DIN: 02592294) was appointed as an Additional (Non-Executive Independent) Director in accordance with the provisions of Section 161 of the Companies Act, 2013 by the Board of Directors through Circular Resolution passed on 30th May, 2020. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Mohan Rao (DIN: 02592294) will hold office till the conclusion of this AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Mr. Mohan Rao (DIN: 02592294) for the office of Non-Executive Independent Director of the Company and to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Nomination and Remuneration Committee and the Board of Directors, at their respective meetings held on 30th July, 2020, considered and recommended the appointment of Mr. Mohan Rao (DIN: 02592294) as a Non-Executive Independent Director of the Company to hold office for a period up to 29th May, 2023, not liable to retire by rotation. In the opinion of Nomination and Remuneration Committee and the Board, Mr. Mohan Rao (DIN: 02592294), the Non-Executive Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the Management. He is also registered as Independent Director in Independent Director's Data Bank.

NOTICE

The Company has received from Mr. Mohan Rao (DIN: 02592294) (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

A copy of the draft letter for the appointment of Mr. Mohan Rao (DIN: 02592294) as Non-Executive Independent Director setting out the terms and conditions are uploaded on the website of the Company.

Brief profile of Mr. Mohan Rao (DIN: 02592294) as required under 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) issued by the Institute of Company Secretaries of India (ICSI), is forming a part of this Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members. None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Mohan Rao (DIN: 02592294) is in any way, concerned or interested in the Resolution at Item No. 4 of the Notice.

By Order of the Board of Directors

Sd/-

Mr. Vinay Uchil

Chairman and Wholetime Director

DIN: 01276871

Mumbai, 30th July, 2020

Registered Office:

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

CIN : L31907MH2007PLC176443

Email ID : cs@marineelectricals.com

Website: www.marineelectricals.com

Tel No : 91-22-4033 4300

ANNEXURE

DETAILS OF DIRECTORS PROPOSED TO BE 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	Mr. Shailendra Shukla	Mr. Vikas Jaywant	Mr. Mohan Rao
DIN	08049885	06607484	02592294
Date of 1st Appointment	07 th December, 2018	24 th February, 2020	30 th May, 2020
Date of birth and Age	27 th January, 1968 and 52 Years	25 th May, 1958 and 62 Years	01 st November, 1948 and 71 Years
Qualification	B.E. (Electronic and Communication), PG in Weapon Control Systems Masters in Administrative Management	B.E. (Electricals), Masters in Marketing Management (MMM) From Jamnalal Bajaj Institute of Management Studies	Bachelors Degree in Science (BSC) and Master Degree in Science (Physics), from Mumbai University
Experience:	Over 3 decades	Over 2 decades	Over 2 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:	None	None	None
Shareholding in the Company (Individually or Jointly):	Nil	Nil	Nil
Number of Meetings of the Board Attended during the Year:	02	01	Nil
Directorship and Committee Memberships (Excluding Marine Electricals (India) Limited)	Voks Ship Management Private Limited	Oasys Energy & Applied Technologies Private Limited and Energy Advice India Private Limited	Vipul Shipyard Private Limited
Justification for choosing the appointees for appointment as Independent Directors	Relevant experience and expertise	Relevant experience and expertise	Relevant experience and expertise

Mumbai, 30th July, 2020

Registered Office:

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

CIN : L31907MH2007PLC176443

Email ID : cs@marineelectricals.com

Website: www.marineelectricals.com

Tel No : 91-22-4033 4300

By Order of the Board of Directors

Sd/-

Mr. Vinay Uchil

Chairman and Wholetime Director

DIN: 01276871

To,
The Members,

Marine Electricals (India) Ltd.

Your Directors are pleased to present the 13th Annual Report of your Company together with the Audited Financial Statements (standalone and consolidated) for the financial year ended 31st March, 2020.

1. FINANCIAL SUMMARY AND HIGHLIGHTS

Certain key aspects of your Company's performance during the financial year ended 31st March, 2020 as compared to the previous financial year are summarised below:

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	Year Ended	Year Ended	Year Ended	Year Ended
	31.03.2020	31.03.2019*	31.03.2020	31.03.2019*
Total income	21,374.48	32,604.66	29,346.51	40,378.06
Expenses	19,247.97	30,536.49	26,510.86	37,769.50
Profit before Interest, Depreciation and Taxation	2,126.51	2,068.17	2,835.65	2,608.56
Interest and bank charges				
Depreciation and Amortization	767.29	629.88	1,007.53	836.76
Profit before tax	553.73	344.13	691.51	485.58
Less: Provision for current tax	805.49	1,094.16	1,136.60	1,286.22
& deferred tax	(167.68)	(316.44)	(224.78)	(370.98)
Profit after taxation				
Profit for the carried to Reserves	637.81	777.72	911.81	915.24
	637.81	777.72	911.81	915.24

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

The standalone revenue of your Company for the year is Rs. 20,771.13 Lakhs as against Rs. 32,323.03 Lakhs in the previous financial year. Total export revenue was Rs. 1,656.05 Lakhs as against Rs. 2,110.03 Lakhs in the previous year.

The standalone net profit for the year is Rs. 637.81 Lakhs as against Rs. 777.72 Lakhs in the previous financial year. The drop in margins is mainly on account of costs overrun and delay in execution of its maiden Solar projects for various reasons.

The Consolidated revenue of your Company for the year is Rs. 28,870.89 Lakhs as against Rs. 39,984.13 Lakhs in the previous financial year. The Consolidated net profit for the year is Rs. 911.81 Lakhs as against Rs. 915.24 Lakh in previous year. The drop in consolidated margins is mainly because of cost overrun and delay in Solar projects and Loss in one of its subsidiary.

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

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 2020.

3. SHARE CAPITAL

The paid up equity capital as on 31st March, 2020 was Rs. 24,53,30,500. There was no public issue, rights issue, bonus issue or preferential issue etc during the year. The Company has not issued shares with differential voting rights or sweat equity shares.

4. EXTRACT OF ANNUAL RETURN

Extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013 ("the Act") and as prescribed in Form No. MGT-9 of the Companies (Management and Administration) Rules, 2014, is appended as **Annexure I** to this Report and is also available on the Company's website www.marineelectricals.com

5. NUMBER OF MEETINGS OF THE BOARD

The Board met Four (4) times in financial year 2019-20 viz 23rd May, 2019, 20th July, 2019, 14th November, 2019 and 12th March, 2020. Details of the same along with attendance of each director and Key Managerial Personnel (KMP) are mentioned hereunder:

Name of the Director	Designation	Number of Meetings	
		Held	Attended
Mr. Vinay Uchil	Chairman and Wholetime Director	4	4
Mr. Venkatesh Uchil	Managing Director	4	3
Mr. Madan Pendse	Non-Executive Independent Director	4	4
Mr. Nikunj Mishra	Non-Executive Independent Director	4	3
Mr. Vikas Jaywant*	Additional Non-Executive Independent Director	4	1
Dr. Tanuja Pudhierkar	Non-Executive Non-Independent Director	4	4
Mr. Shailendra Shukla	Non-Executive Non-Independent Director	4	2

* Mr. Vikas Jaywant was appointed as Additional Non-Executive Independent Director of the Company w.e.f 24th February, 2020 through Circular passed by Board of Directors

6. MEETINGS OF COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The Audit Committee consists of the following Directors:

1. Mr. Madan Pendse
2. Mr. Nikunj Mishra and
3. Mr. Venkatesh Uchil

The composition of the Audit Committee is in compliance with the requirements of Section 177 of the Act.

There has been no such incidence where the Board has not accepted the recommendation of the Audit Committee during the year under review

Meeting and Attendance

The Committee met Three (3) times in financial year 2019-20, viz; 23rd May, 2019, 14th November, 2019 and 12th March, 2020

Name of the Director	Designation in Committee	Number of Meetings	
		Held	Attended
Mr. Madan Pendse (Non-Executive Independent Director)	Chairman	3	3
Mr. Nikunj Mishra (Non-Executive Independent Director)	Member	3	3
Mr. Venkatesh Uchil (Managing Director)	Member	3	3

B. NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Nomination and Remuneration Committee comprises of the following Directors:

1. Mr. Madan Pendse
2. Mr. Nikunj Mishra and
3. Dr. Tanuja Pudhierkar

The NRC is in compliance with the provisions of Section 178 of the Act.

Meeting and Attendance

The Committee met Two (2) times in financial year 2019-20, viz; 23rd May, 2019 and 14th November, 2019.

Name of the Director	Designation in Committee	Number of Meetings	
		Held	Attended
Mr. Madan Pendse (Non-Executive Independent Director)	Chairman	2	2
Mr. Nikunj Mishra (Non-Executive Independent Director)	Member	2	2
Dr. Tanuja Pudhierkar (Non-Executive Non- Independent Director)	Member	2	2

C. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

The Stakeholders Relationship Committee comprises of following Directors:

1. Mr. Nikunj Mishra
2. Mr. Madan Pendse and
3. Dr. Tanuja Pudhierkar

The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Act.

Meeting and Attendance

The Committee met Once (1) in financial year 2019-20, viz; 23rd May, 2019.

Name of the Director	Designation in Committee	Number of Meetings	
		Held	Attended
Mr. Madan Pendse (Non-Executive Independent Director)	Chairman	1	1
Mr. Nikunj Mishra (Non-Executive Independent Director)	Member	1	1
Dr. Tanuja Pudhierkar (Non-Executive Non- Independent Director)	Member	1	1

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

The Committee consisted of the following Members:

1. Mr. Vinay Uchil
2. Dr. Tanuja Pudhierkar
3. Mr. Madan Pendse and
4. Mr. Nikunj Mishra

The composition of the CSR Committee is in compliance with the provisions of Section 135 of the Act.

Meeting and Attendance

The Committee met Once (1) in financial year 2019-20, viz; 23rd May, 2019.

Name of the Director	Designation in Committee	Number of Meetings	
		Held	Attended
Mr. Vinay Uchil (Chairman and Wholetime Director)	Chairman	1	1
Dr. Tanuja Pudhierkar (Non-Executive Non-Independent Director)	Member	1	1
Mr. Madan Pendse (Non-Executive Independent Director)	Member	1	1
Mr. Nikunj Mishra (Non-Executive Independent Director)	Member	1	1

7. DIRECTORS RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the Financial Year ended 31st March, 2020 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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, 2020 and of the profit of the company for that period;
- 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;
- the directors had prepared the annual accounts for Financial Year ended 31st March, 2020 on a going concern basis; and
- 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.
- 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.

8. DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors have submitted the declaration of Independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in section 149 (6) of the Companies Act, 2013, as amended and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), as amended.

The Board took on record the declaration and confirmation submitted by the Independent Directors regarding their meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same as required under Regulation 25 of the Listing Regulations, 2015. The Ministry of Corporate Affairs vide its circular dated 22nd October, 2019 further amended the Companies (Appointment and Qualification of Directors) Rules, 2014 by requiring an Independent Director to apply online, to the Indian Institute of Corporate Affairs for inclusion of his/her name in the data bank for such period till he/she continues to hold office of an independent director in any Company. The Independent Directors were also required to submit a declaration of compliance in this regard. All the Independent Directors of the Company have submitted the declaration with respect to the same.

MEETING OF INDEPENDENT DIRECTORS

A separate meeting of the Independent Directors was held on 23rd May, 2019. under the Chairmanship of Mr. Madan Pendse, Independent Director, interalia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

9. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

Your Board has adopted a Nomination and Remuneration Policy for identification, selection and appointment of Directors, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company. The Policy provides criteria for fixing remuneration of the Directors, KMPs, as well as other employees of the Company. The Policy enumerates the powers, roles and responsibilities of the Nomination and Remuneration Committee. Your Board, on the recommendations of the Nomination and Remuneration Committee, appoints Director(s) of the Company based on his / her eligibility, experience and qualifications and such appointment is approved by the Members of the Company at General Meetings.

The Managing Director and Whole-time Directors (Executive Directors) are appointed for a period of three years. Independent Directors of the Company are appointed to hold their office for such term as may be fixed by the Board and Shareholders. Based on their eligibility for re-appointment, the outcome of their performance evaluation and the recommendation by the Nomination and Remuneration Committee, the Independent Directors may be re-appointed by the Board for another term of five consecutive years, subject to approval of the Members of the Company. The Directors, KMPs shall retire as per the applicable provisions of the Companies Act, 2013 and the policy of the Company. While determining remuneration of the Directors, KMPs, and other employees, the Nomination and Remuneration Committee ensures that the level and composition of remuneration are reasonable and sufficient to attract, retain and motivate them and ensure the quality required to run the Company successfully.

The Company pays remuneration to Independent Directors by way of sitting fees. Non-Executive Non-Independent Directors of your Company do not accept any sitting fees / commission. Remuneration to Directors is paid within the limits as prescribed under the Companies Act, 2013 and the limits as approved by the Members of the Company, from time to time. The Nomination and Remuneration Policy is enclosed as **Annexure II**.

10. 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.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

There were no material contracts or arrangements with related parties during the year under review as referred in sub-section(1) of section 188 of the Companies Act, 2013 and hence disclosure in Form AOC-2 is not applicable. Further the disclosure of transactions with related parties for the year 2019-20, as per accounting standard 18 forms part of notes to accounts.

12. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

The material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report are given below.

GLOBAL PANDEMIC – COVID-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lockdown of production facilities etc. On 24th March, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till 3rd May, 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

MIGRATION APPLICATION

The Company had sought approval from Shareholders through Postal Ballot which was passed on Friday, 12th July, 2019 for Preferential Issue and subsequent Migration to Main Board of National Stock Exchange (NSE). However as per provisions of Section 62 and Rule 13(2)(e) of Companies (Share capital and Debentures) Rules, 2014 Act, 2013, the allotment of securities on Preferential basis passed through Special Resolution shall be completed within 12 months from the date of passing of the special resolution and additional compliance as applicable to Main Board listed company as per provisions of SEBI (Listing Obligations and Disclosure Requirement) is to be made.

Due to unavoidable circumstances, Company was not able to comply with the additional applicable SEBI LODR requirements within the period of 12 months from the date of passing of special resolution and hence the application was withdrawn.

The Company shall approach the Shareholders for fresh approval by issuing new Postal Ballot Notice shortly

13. 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 III** to this Report.

14. RISK MANAGEMENT FRAMEWORK

RISK AND CONCERNS

Risks and concerns as follows:

There could be possibility that your Company may not be able to meet certain delivery obligations including timelines of delivery, due to which, it could become liable to claims by customers, suffer adverse publicity and incur substantial costs, which in turn could adversely affect the results of operations of the Company. Business may suffer if the Company fails to keep pace with rapid changes in technology and the industries on which it focuses. Products are being manufactured from manufacturing facilities located in the Mumbai and Goa. Any disruption or suspension in the production process in this facility can significantly impact Company's ability to service customer needs. If Company fails to keep technical knowledge and process know-how confidential, it may suffer a loss of competitive advantage. The Company's business is not of continuous production in nature thus resulting in varied results for different operating periods as well as Balance Sheet situations.

RISK MANAGEMENT POLICY

The Board of Directors and the team of professionals employed by the Company in various departments constantly review the risk management of the Company and ensure its effectiveness. The finance team has an additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

However the Company has not faced any risk, which in the opinion of the Board, may threaten the existence of the company.

Policy relating to Risk Management can be accessed on company's website viz; www.marineelectricals.com

15. 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 IV** 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; www.marineelectricals.com

16. VIGIL MECHANISM

The Company has adopted Vigil Mechanism and Whistle Blower Policy for Directors and Employees in compliance with the provisions of Section 177(10) of the Act, to report genuine concerns and to provide for adequate safeguards against victimization of persons who may use such mechanism.

During the year no personnel of the Company was denied access to the Audit Committee and no complaints were received. The said policy is also available on company's website viz; www.marineelectricals.com

17. ANNUAL EVALUATION AND PERFORMANCE OF THE BOARD

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria for the Board, its Committees and Directors.

The Board's functioning was evaluated after taking inputs from the Directors on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

The Committees of the Board were evaluated after taking inputs from the Committee members on the basis of criteria such as degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The Board and the Nomination and Remuneration Committee had reviewed the performance of the individual directors on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/support to the management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

In a separate meeting of independent directors, performance of Non-Independent Directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and Non-Executive directors.

18. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Act, the Company has prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report.

In accordance with Section 136 of the Act, 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 www.marineelectricals.com. These documents will also be available for inspection during working hours at our Registered Office of the Company.

The Policy for determining material subsidiaries as approved may be accessed on the Company's website www.marineelectricals.com.

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, 2020 is annexed to this Board's report (**Annexure - V**).

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

The Company has neither accepted nor renewed any deposits during the financial year 2019-20 in terms of Chapter V of the Act.

20. 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.

21. 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 judgments 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.

22. DIRECTORS AND KEY MANAGERIAL PERSONNEL

DIRECTORS

To broad-base the Board, Mr. Shailendra Shukla was regularised as Non-Executive Non-Independent Director of the Company by Shareholders in the Annual General Meeting held on 16th September, 2019. However two Additional Directors (designated as Non-Executive Independent Director), Mr. Vikas Jaywant and Mr. Mohan Rao were inducted on the Board through circular resolution passed on 24th February, 2020 and 30th May, 2020 respectively.

During the year under review Mr. Vinay Uchil (DIN: 01276871), Chairman and Wholetime Director Mr. Venkatesh K. Uchil (DIN: 01282671), Managing Director, Mr. Madan Pendse (DIN: 07650301), Non-Executive Independent Director, Mr. Nikunj Mishra (DIN: 03589730), Non-Executive Independent Director, Dr. Tanuja Pudhierkar (DIN: 08190742), Non-Executive Non-Independent Director and Mr. Shailendra Shukla (DIN: 08049885), Non-Executive Non-Independent Director continued to be appointed on the Board

RETIREMENT BY ROTATION

The Independent Directors hold office for a fixed term as decided from the date of their appointment and are not liable to retire by rotation. The Companies Act, 2013, mandates that at least two-thirds of the total number of directors (excluding independent directors) shall be liable to retire by rotation. Accordingly, Mr. Shailendra Shukla (DIN 08049885), being the longest in the office amongst the directors liable to retire by rotation, retire from the Board by rotation this year and, being eligible, have offered their candidature for re-appointment.

Brief details of Mr. Shailendra Shukla (DIN 08049885), Director, who is seeking re-appointment is given in the notice of Annual General Meeting.

KEY MANAGERIAL PERSONNEL (KMP)

The details with respect changes in KMP during the Financial Year 2019-20 is as under:

Sr. No	Particulars	Designation	Appointment Date	Resignation Date
1	Mr. Vinay K Uchil	Chairman & Whole Time Director	1 st August 2018	-
2	Mr. Venkatesh K Uchil	Managing Director	1 st August 2018	-
3	Mr. Rohit Shetty	Chief Financial Officer	3 rd August 2018	19 th October, 2019
4	Mr. Aditya Desai	Chief Financial Officer	14 th November, 2019	24 th June 2020
5	Ms. Vedashri Chaudhari	Company Secretary & Compliance Officer	7 th December 2018	23 rd May, 2019
6	Ms. Reesha Ratanpal	Company Secretary & Compliance Officer	20 th July, 2019-	

23. AUDITORS

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.

B. INTERNAL AUDITOR

The Board of Directors of the Company have appointed Prasanna V. Pakkala, Chartered Accountant (Membership No: 103201) as Internal Auditors to conduct Internal Audit of the Company for the Financial Year ended 31st March, 2020.

C. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors in their meeting held on 23rd May, 2019 have appointed CS Sheetal

Khandelwal Kothari,, Company Secretary in Wholetime Practice as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2019-2020. The Secretarial Auditors Report issued by CS Sheetal Khandelwal Kothari, Company Secretary in Wholetime Practice in Form MR-3 is annexed to this Board's Report (**Annexure – VI**). The Secretarial Auditors Report does not contain any qualifications, reservation or adverse remarks.

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.

24. 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.

25. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per Regulation 34(2) read with Schedule V of the Listing Regulations, Management and Discussion and Analysis Report is been annexed at **Annexure VII**.

26. PARTICULARS OF EMPLOYEES

A statement comprising the names of top 10 employees in terms of remuneration drawn and every persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure VIII** and forms an integral part of this annual report.

The disclosures in terms of the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure IX** to this Report.

There were no employee who receives remuneration of Rs. 850,000/- per month or Rs. 1,0200,000/- per annum.

27. EMPLOYEES STOCK OPTION SCHEME

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

28. 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 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.

29. COMPLIANCE OF THE SECRETARIAL STANDARDS

During the financial year, the Company has complied with the applicable Secretarial Standards i.e SS-1 and SS-2 as issued by the Institute of the Company Secretaries of India.

30. CORPORATE GOVERNANCE

Since the Company's securities are listed on Emerge SME Platform of NSE, by virtue of Regulation 15 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the compliance with the corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable to the Company. Hence Corporate Governance does not form part of this Board's Report.

31. ACKNOWLEDGMENTS

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 Whole Time Director

DIN: 01282671

Sd/-

Mr. Venkatesh K. Uchil

Managing Director

DIN: 01276871

Date: 30th July 2020

Place: Mumbai

ANNEXURE-I

Form No. MGT-9

Extract Of Annual Return

As on the Financial Year ended 31st March, 2020

[Pursuant to Section 92(3) and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L31907MH2007PTC176443
ii	Registration Date	04/12/2007
iii	Name of the Company	Marine Electricals (India) Limited
iv	Category/Sub-Category of the Company	Category: Company Limited by Shares Sub Category: Indian Non-Government Company
v	Address of the Registered office and contact details	B/1, Udyog Sadan No. 3, MIDC, Andheri (East), Mumbai-400093 Email ID: cs@marineelectricals.com Tel No: 91-22-40334300 Fax No: 91-22-28364045
vi	Whether listed company (Yes / No)	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Big Share Services Private Limited Registrar and Share Transfer Agent 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri E, Mumbai – 400 059 Email ID: info@bigshareonline.com Tel No: 91-22-62638200 Fax No: 91-22-62638299

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company, on standalone basis, are as under:

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Manufacture of control panels	2710	81.54%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	%of shares held	Applicable Section
1.	KDU Enterprise Pvt. Ltd B/2, Udyog Sadan No. 3, Marol Industrial Area, MIDC, Seepz, Andheri (East), Mumbai- 400 093	U31401MH1982PTC027850	Holding	51.69%	2(46)
2.	MEL Power Systems FZC	–	Subsidiary	90.00%	2(87)(ii)
3.	Eltech Engineers Madras Private Limited No. 92, 1 st Main Road, Nehru Nagar, Old Mahabalipuram Road, Chennai - 600 041	U29142TN1996PTC036500	Subsidiary	70.00%	2(87)(ii)
4.	STI Company SRL	–	Step-down Subsidiary	75.00%	2(87)(ii)
5.	Technology Ventures Middle East (FZC) (Incorporated on 11.06.2018)	–	Step-down Associate	25.00%*	2(6)

* The change in holding of associate is with effect from 21st October, 2019

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the i.e 01 st April, 2019				No. of Shares held at end of the year i.e 31 st March, 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1. Indian									
a) Individual/ HUF	5354675	0	5354675	21.83	5354675	0	5354675	21.83	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp	0	0	0	0.00	0	0	0	0.00	0.0
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.0
f) Any Other									
i. Group Companies	12681375	0	12681375	51.69	12681375	0	12681375	51.69	0.00
ii. Trusts	0	0	0	0.00	0	0	0	0.00	0.00
iii. Director/ Director's Relative	200	0	200	0.00	200	0	200	0.00	0.00
Sub-Total(A)(1)	18036250	0	18036250	73.52	18036250	0	18036250	73.52	0.00
2. Foreign									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the i.e 01 st April, 2019				No. of Shares held at end of the year i.e 31 st March, 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	18036250	0	18036250	73.52	18036250	0	18036250	73.52	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others(specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
2. Non Institutions									
a) Bodies Corp.									
i) Indian	2316707	0	2316707	9.44	1992000	0	1992000	8.12	(1.32)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	347293	800	348093	1.42	331956	800	332756	1.36	(0.06)
ii) Individual shareholders holding nominal share capital in excess Rs. 1 lakh	2620000	0	2620000	10.68	2568000	0	2568000	10.47	(0.21)
C) Other (Specify)									
i) Hindu Undivided Family	386000	0	386000	1.57	694000	0	694000	2.83	1.26
ii) Trusts	0	0	0	0.00	0	0	0	0.00	0.00
iii) Clearing Members	812000	0	812000	3.31	886044	0	886044	3.61	0.30

Category of Shareholders	No. of Shares held at the beginning of the i.e 01 st April, 2019				No. of Shares held at end of the year i.e 31 st March, 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
iv) Non-Residents Indians (NRI)	14000	0	14000	0.06	24000	0	24000	0.10	0.04
v) Directors Relative	0	0	0	0.00	0	0	0	0.00	0.00
vi) Employee	0	0	0	0.00	0	0	0	0.00	0.00
vii) Overseas Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
viii) Unclaimed Suspense Account	0	0	0	0.00	0	0	0	0.00	0.00
ix) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(B)(2)	6496000	800	6496800	26.48	6496000	800	6496800	26.48	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	6496000	800	6496800	26.48	6496000	800	6496800	26.48	0.00
C) Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	24532250	800	24533050	100.00	24532250	800	24533050	100.00	0.00

II. Shareholding of Promoters & Promoter Group

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered	
M/s KDU Enterprises Pvt. LTD	12681375	51.69	0.00	12681375	51.69	0.00	0.00
Mr. Venkatesh K. Uchil	5354475	21.83	0.00	5354475	21.83	0.00	0.00
Mr. Vinay K. Uchil	200	0.00	0.00	200	0.00	0.00	0.00
Dr. Tanuja Pudhierkar	200	0.00	0.00	200	0.00	0.00	0.00
Total	18036250	73.52	0.00	18036250	73.52	0.00	0.00

III. Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in Promoter's Shareholding.

IV. Shareholding Pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRS and ADRS):

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Transactions during the year			Cumulative Shareholding during the year		
	Name	No. of Shares	% of total Shares of the Company	Date	Inc/Decrease in shareholding	No. of Shares	No. of Shares	% of total Shares of the Company
1. Shradha Manish Mehta								
At the beginning of the year	7,40,000	3.02	01.04.2019			7,40,000	3.02	
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):			27.09.2019	Decrease	(1,25,000)	6,15,000	2.51	
			11.10.2019	Decrease	(1,05,000)	51,00,000	2.08	
			25.10.2019	Decrease	(50,000)	4,60,000	1.88	
			15.11.2019	Decrease	(1,20,000)	3,40,000	1.39	
			22.11.2019	Increase	60,000	4,00,000	1.63	
			29.11.2019	Decrease	(80,000)	3,20,000	1.30	
			06.12.2019	Decrease	(1,00,000)	2,20,000	0.90	
			27.12.2019	Decrease	(50,000)	1,70,000	0.69	
			10.01.2020	Decrease	(70,000)	1,00,000	0.41	
			24.01.2020	Decrease	(40,000)	60,000	0.24	
			14.02.2020	Decrease	(60,000)	0	0.00	
At the End of the year (or on the date of separation, if separated during the year)	0	0.00	31.03.2020			0	0.00	
2. Orbis Financial Corporation Limited								
At the beginning of the year	7,20,000	2.93	01.04.2019			7,20,000	2.93	
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):			26.04.2019	Decrease	(2,40,000)	4,80,000	1.96	
			03.05.2019	Increase	2,40,000	7,20,000	2.93	
			21.06.2019	Decrease	(2,40,000)	4,80,000	1.96	
			06.09.2019	Increase	2,40,000	7,20,000	2.93	
			09.09.2019	Decrease	(2,40,000)	4,80,000	1.96	
			27.09.2019	Increase	1,82,000	6,62,000	2.70	
			20.03.2020	Increase	2,04,000	8,66,000	3.53	
			27.03.2020	Decrease	(4,86,000)	3,80,000	1.55	
			31.03.2020	Decrease	(1,20,000)	2,60,000	1.06	
At the End of the year (or on the date of separation, if separated during the year)	2,60,000	1.06	31.03.2020			2,60,000	1.06	
3. Ajinkya Mercantile Private Limited								
At the beginning of the year	1,26,000	0.51	01.04.2019			1,26,000	0.51	
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):			10.05.2019	Decrease	(16,000)	1,10,000	0.45	
			17.05.2019	Decrease	(20,000)	90,000	0.37	
			30.08.2019	Increase	1,10,000	2,00,000	0.82	
			08.11.2019	Increase	2,00,000	4,00,000	1.63	
			31.03.2020	Increase	52,000	4,52,000	1.84	
At the End of the year (or on the date of separation, if separated during the year)	4,52,000	1.84	31.03.2020			4,52,000	1.84	

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Transactions during the year			Cumulative Shareholding during the year		
	Name	No. of Shares	% of total Shares of the Company	Date	Inc/Decrease in shareholding	No. of Shares	No. of Shares	% of total Shares of the Company
4.K. R. Developers LLP								
At the beginning of the year	4,50,000	1.83	01.04.2019			4,50,000	1.83	
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):			10.05.2019	Increase	16,000	4,66,000	1.90	
			17.05.2019	Increase	20,000	4,86,000	1.98	
			20.03.2020	Decrease	(2,62,000)	2,24,000	0.91	
At the End of the year (or on the date of separation, if separated during the year)	2,24,000	0.91	31.03.2020			2,24,000	0.91	
5. Gaurang Shashikant Vasani								
At the beginning of the year	1,52,000	0.62	01.04.2019			1,52,000	0.62	
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):			12.04.2019	Increase	8,000	1,60,000	0.65	
			19.04.2019	Increase	2,000	1,62,000	0.66	
			26.04.2019	Increase	4,000	1,66,000	0.68	
			03.05.2019	Increase	8,000	1,74,000	0.71	
			10.05.2019	Increase	2,000	1,76,000	0.72	
			17.05.2019	Decrease	(4,000)	1,72,000	0.70	
			31.05.2019	Increase	18,000	1,90,000	0.77	
			14.06.2019	Increase	2,000	1,92,000	0.78	
			19.07.2019	Increase	40,000	2,32,000	0.95	
			02.08.2019	Decrease	(20,000)	2,12,000	0.86	
			16.08.2019	Increase	6,000	2,18,000	0.89	
			30.08.2019	Decrease	(1,00,000)	1,18,000	0.48	
			04.10.2019	Increase	1,16,000	2,34,000	0.95	
			18.10.2019	Increase	60,000	2,94,000	1.20	
			15.11.2019	Increase	14,000	3,08,000	1.26	
			27.12.2019	Increase	50,000	3,58,000	1.46	
			17.01.2020	Increase	12,000	3,70,000	1.51	
			24.01.2020	Increase	18,000	3,88,000	1.58	
			13.03.2020	Increase	2,000	3,90,000	1.59	
			27.03.2020	Increase	4,000	3,94,000	1.61	
			31.03.2020	Increase	16,000	4,10,000	1.67	
At the End of the year (or on the date of separation, if separated during the year)	4,10,000	1.67	31.03.2020			4,10,000	1.67	
6. Sajankumar Rameshwarlal Bajaj								
At the beginning of the year	3,82,000	1.56	01.04.2019			3,82,000	1.56	

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Transactions during the year			Cumulative Shareholding during the year	
	Name	No. of Shares	% of total Shares of the Company	Date	Inc/Decrease in shareholding	No. of Shares	No. of Shares
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):			28.02.2020	Increase	2,000	3,84,000	1.57
At the End of the year (or on the date of separation, if separated during the year)	3,84,000	1.57	31.03.2020			3,84,000	1.57
7. Overskud Multi Asset Management Private Limited							
At the beginning of the year	3,26,000	1.33	01.04.2019			3,26,000	1.33
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):			03.05.2019	Decrease	(4,000)	3,22,000	1.31
			14.06.2019	Decrease	(48,000)	2,74,000	1.12
			26.07.2019	Decrease	(1,20,000)	1,54,000	0.63
			28.02.2020	Decrease	(54,000)	1,00,000	0.41
At the End of the year (or on the date of separation, if separated during the year)	1,00,000	0.41	31.03.2020			1,00,000	0.41
8. Chirag Sevantilal Shah							
At the beginning of the year	3,00,000	1.22	01.04.2019			3,00,000	1.22
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):							
At the End of the year (or on the date of separation, if separated during the year)	3,00,000	1.22	31.03.2020			3,00,000	1.22
9. Subhrashi Properties Private Limited							
At the beginning of the year	2,74,000	1.12	01.04.2019			2,74,000	1.12
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):			17.05.2019	Decrease	(2,74,000)	0	0.00
At the End of the year (or on the date of separation, if separated during the year)	0	0.00	31.03.2020			0	0.00

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Transactions during the year			Cumulative Shareholding during the year		
	Name	No. of Shares	% of total Shares of the Company	Date	Inc/Decrease in shareholding	No. of Shares	No. of Shares	% of total Shares of the Company
10. Edelweiss Custodial Services Limited								
At the beginning of the year	0	0.00	01.04.2019			0	0.00	
Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):			12.04.2019	Increase	18,000	18,000	0.07	
			17.05.2019	Increase	2,70,000	2,88,000	1.17	
			07.06.2019	Decrease	(2,323)	2,85,677	1.16	
			09.08.2019	Decrease	(3,000)	2,82,677	1.15	
			20.09.2019	Decrease	(12,677)	2,70,000	1.10	
At the End of the year (or on the date of separation, if separated during the year)	2,70,000	1.10	31.03.2020			2,70,000	1.10	

V. Shareholding of Directors and key Managerial personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of the Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
1.	Mr. Venkatesh K. Uchil (Managing Director)	5354475	21.83	5354475	21.83
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0.00	0	0.00
	At the End of the year	5354475	21.83	5354475	21.83
2.	Mr. Vinay K. Uchil (Chairman and Wholetime Director)	200	0.00	200	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0.00	0	0.00
	At the End of the year	200	0.00	200	0.00
3.	Dr. Tanuja D. Pudhierkar (Non-Executive Non-Independent Director)	200	0.00	200	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0.00	0	0.00
	At the End of the year	200	0.00	200	0.00
4.	Mr. Nikunj Mishra (Non-Executive Independent Director)	0	0.00	0	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00
5.	Mr. Madan Pendse (Non-Executive Independent Director)	0	0.00	0	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the End of the year	0	0.00	0	0.00

6.	Mr. Shailendra Shukla (Non-Executive Non-Independent Director)	0	0.00	0	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00
7.	Mr. Vikas Jaywant (Non-Executive Independent Director w.e.f. 24 th February, 2020)	0	0.00	0	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00
8.	Ms. Vedashri Chaudhari (Company Secretary, From 01.04.2019 till 23.05.2019 (resigned))	0	0.00	0	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00
9.	Ms. Reesha Ratanpal (Company Secretary, From 20.07.2019 (Appointment) till 31.03.2020)	0	0.00	0	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00
10.	Mr. Rohit Shetty (Chief Financial Officer, From 01.04.2018 till 19.10.2019 (resigned))	0	0.00	0	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00
11.	Mr. Aditya Desai (Chief Financial Officer, From 14.11.2019 (Appointment) till 31.03.2020)	0	0.00	0	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00

V. INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment
(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	42,23,93,102	0	0	42,23,93,102
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total(i+ii+iii)	42,23,93,102	0	0	42,23,93,102
Change in Indebtedness during the financial year				
Addition	0	85,00,000	0	85,00,000
Reduction	(9,73,79,151)	0	0	(9,73,79,151)
Net Change	(9,73,79,151)	85,00,000	0	(8,88,79,151)
Indebtedness at the end of the financial year				
l) Principal Amount	32,50,13,951	85,00,000	0	33,35,13,951
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	32,50,13,951	85,00,000	0	33,35,13,951

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A) Remuneration to Managing Director, Whole-time Directors and /or Manager/Director
(Amount in Rs.)

Particulars of Remuneration	Name of the Director's		Total Amount
	Mr. Vinay Uchil (Chairman and Whole Time Director)	Mr. Venkatesh Uchil (Managing Director)	
Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48,00,000	48,00,000	96,00,000
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961			
Stock Option (No. of shares)	200	5354475	5354675
Sweat Equity	0	0	0
Commission	0	0	0
- as % of profit	0	0	0
- others, specify...	0	0	0
Others, please specify	0	0	0
Total (A)	48,00,000	48,00,000	96,00,000
*Ceiling as per the Act	NA		

* The said amount falls under the permissible limit of Table A of Section II of Schedule V of Companies Act, 2013 according to effective capital of the Company.

B) Remuneration to other directors:

(Amount in Rs.)

Particulars of Remuneration	Name of Director's			Total Amount
	Madan Pendse	Nikunj Mishra	Vikas Jaywant	
Independent Directors				
• Fee for attending board committee meetings	1,80,000	1,65,000	15,000	3,60,000
• Commission				
• Others, please specify				
Total (1)	1,80,000	1,65,000	15,000	3,60,000
Other Non-Executive Directors	0	0	0	0
• Fee for attending board committee meetings				
• Commission				
• Others, please specify				
Total (2)	0	0	0	0
Total (B) = (1+2)	1,80,000	1,65,000	15,000	3,60,000
Total Managerial Remuneration to Non-Executive Directors	0	0	0	0
Overall ceiling as per the Act for Directors who are neither Managing Director nor whole time Director (1% of Net Profits calculated as per provisions of Section 198 of the Companies Act)	NA (No director has been paid a sitting fees more than Rs. 1,00,000 per meeting)			

C) Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD:

(Amount in Rs.)

Particulars of Remuneration	Key Managerial Personnel				Total Amount
	Company Secretary (CS)		Chief Financial Officer (CFO)		
	Ms. Vedashri Chaudhari (From 1 st April, 2019 till 23 rd May, 2019)	Ms. Reesha Ratanpal (20 th July, 2019 till 31 st March, 2020)	Mr. Rohit Shetty (1 st April, 2019 to 19 th October, 2019)	Mr. Aditya Desai (14 th November, 2019 to 31 st March, 2020)	
Gross salary					
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	64,266	2,37,443	13,22,580	17,38,935	33,63,224
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
Stock Option	0	0	0	0	0
Sweat Equity	0	0	0	0	0
Commission	0	0	0	0	0
- as % of profit					
- others, specify...					
Others, please specify company's contribution to provident fund	2,400	16,200	0	0	18,600
Total	66,666	2,53,643	13,22,580	17,38,935	33,81,824

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

On behalf of the board of directors

Sd/-

Mr. Vinay K. Uchil

Chairman and Whole Time Director

DIN: 01282671

Sd/-

Mr. Venkatesh K. Uchil

Managing Director

DIN: 01276871

Date: 30th July 2020

Place: Mumbai

ANNEXURE II**NOMINATION AND REMUNERATION POLICY**

[Under Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014]

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, 2014 shall constitute the Nomination and Remuneration Committee.

The Board of Directors (the "Board") of Marine Electricals (I) 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 key Objectives of the Nomination & Remuneration Committee would be:

- a) To guide the Board in relation to Appointment and Removal of Directors, 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.

DEFINITION

"Act" means the Companies Act, 2013 and Rules framed thereunder as amended from time to time. "Board" refers to Board of Directors of Marine Electricals (I) Limited

"Directors" mean Directors of Marine Electricals (I) 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

Such other officer as may be 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, majority of them being Independent.
- Minimum two (2) members 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 meeting of the Committee shall be held at such regular intervals as may be required.

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 recoded 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 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 shall be entitled for sitting fees for attending Board and Committee meetings. 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
 - (vii) 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.

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 Whole Time Director

DIN: 01282671

Sd/-

Mr. Venkatesh K. Uchil

Managing Director

DIN: 01276871

Date: 30th July 2020

Place: Mumbai

ANNEXURE III**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. 1,656.05 (LY Rs. 2110.03)

Foreign Exchange Outgo: Rs. 123.22 (LY Rs. 164.65)

On behalf of the board of directors

Sd/-

Mr. Vinay K. Uchil

Chairman and Whole Time Director

DIN: 01282671

Sd/-

Mr. Venkatesh K. Uchil

Managing Director

DIN: 01276871

Date: 30th July 2020

Place: Mumbai

ANNEXURE IV
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; www.marineelectricals.com
2. The composition of the CSR committee: The Company has a CSR committee of directors comprising of Mr. Vinay Uchil – Chairman and Dr. Tanuja Pudhierkar, Mr. Nikunj Mishra and Mr. Madan Pendse as member
3. Average net profit of the company for last three financial years for the purpose of computation of CSR: Rs. 9,35,96,315
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 18,71,926
5. Details of CSR spent during the financial year: Rs. 4,20,000
 - a. Total amount to be spent for the financial year: Rs. 18,71,926
 - b. Amount unspent: Rs. 14,51,926
 - c. Manner in which the amount spent during the financial year: As detailed below

(Amount in Rs.)

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) specify the state and District where projects or programmes were undertaken	Amount Outlay (Budget) Project or Programmes wise	Amount spent on the projects or programmes Subheads: (1) Direct Expenditure (2) Overheads	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Promoting Healthcare	Healthcare	All over India	Rs. 4,20,000	(i) Rs. 4,20,000	Rs. 4,20,000	Amount was spent through Amrita trust

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: Your company is in the process of identifying more projects in line with the CSR policy, in order to enable your Company to spend the entire amounts kept aside for the CSR spends. It is because of lack of suitable projects that your Company was unable to spend the entire amount of CSR during the financial year.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company. We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company: We hereby affirm that the CSR Policy ("Policy") of the Company as approved by the Board of Directors of the Company is monitored by the CSR Committee and the CSR activities have been implemented in accordance with the Policy.

On behalf of the board of directors

Sd/-

Mr. Vinay K. Uchil
Chairman and Whole Time Director
DIN: 01282671

Sd/-

Mr. Venkatesh K. Uchil
Managing Director
DIN: 01276871

Date: 30th July 2020
Place: Mumbai

ANNEXURE V
FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part "A": Subsidiaries (Information in respect of each subsidiary to be presented with amounts in Rs.)

Sr. No.	Name of the subsidiary	MEL power Systems FZC	Eltech Engineers Madras Private Limited	STI Company SRL
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	From 1 st April to 31 st March	From 1 st April to 31 st March	From 1 st January to 31 st December
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	AED (1 AED: 20.53)	INR	EURO (1 EURO: 83.33)
3	Share capital	30,800,82	30,00,000	111,250,000
4	Reserves & surplus	237,057,950	(20,121,672)	33,872,315
5	Total assets	450,069,487	62,375,106	531,796,832
6	Total Liabilities	450,069,487	62,375,106	531,796,832
7	Investments	95,313,922	0	33,106,417
8	Turnover	213,400,680	96,876,522	213,810,713
9	Profit before taxation	73,68,792	289,527	21,68,224
10	Provision for taxation	0	0	10,88,714
11	Profit after taxation	73,68,792	289,527	10,79,510
12	Proposed Dividend	0	0	0
13	% of shareholding	90.00	70.00	67.50 (Company's subsidiary has 75% share in the company)

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

Name of Associates/Joint Ventures	Technology Ventures Middle east FZC
1. Latest audited Balance Sheet Date	31 st December 2019
2. Shares of Associate/Joint Ventures held by the company on the year end.	22.50%
Amount of Investment in Associates/Joint Venture	AED 37,500
Extend of Holding%	25.00%
3. Description of how there is significant influence	Company's subsidiary has 25% share in the Company
4. Reason why the associate/joint venture is not consolidated	N.A
5. Networth attributable to Shareholding as per latest audited Balance Sheet.	AED 12,506,344
6. Profit / Loss for the year	AED 18,02,823
I. Considered in Consolidation	YES
II. Not Considered in Consolidation	NA

DIRECTOR'S REPORT

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

On behalf of the board of directors

Sd/-

Mr. Vinay K. Uchil
Chairman and Whole Time Director
DIN: 01282671

Sd/-

Mr. Venkatesh K. Uchil
Managing Director
DIN: 01276871

Date: 30th July 2020

Place: Mumbai

ANNEXURE VI**FORM MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Marine Electricals (India) Limited
CIN:- L31907MH2007PLC176443
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 M/s Marine Electricals (India) Limited *{formerly known as Marine Electricals (India) Private Limited}* having (CIN: L31907MH2007PLC176443) (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 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, the explanations and clarifications given to us and the representations made by the management, I hereby report that in my opinion, the Company, has during the audit period covering the financial year ended on March 31, 2020 generally 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 March 31, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) SEBI (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not applicable to the Company during the audit period;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable to the Company during the audit period;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable to the Company during the audit period;
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

Decisions at the meetings of Board of Directors / Committees of the Company were carried through on the basis of majority. We were informed that there were no dissenting views by any members of Board / Committee in the meetings held during the year under review that were required to be captured and recorded as part of minutes.

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

I further report that during the audit period the company has undertaken following events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- a. The members of the Company through postal ballot results dated July 12, 2019 for increase in the Authorised Share Capital of the company from existing Rs.25,00,00,000/- divided into 2,50,00,000 of equity shares of Rs.10/- each to Rs. 30,00,00,000/- divided into 3,00,00,000 equity shares of Rs.10/- each and consequent amendment to Memorandum of Association of the company.
- b. The members of the Company through postal ballot results dated July 12, 2019 approved for entering into Related Party Transactions with Mr. Venkatesh Uchil & Mr. Vinay Uchil (both of them are the Promoters & Directors of the Company) for acquisition of shares/ stake in two subsidiaries viz. MEL Power systems FZC and Narhari Engineering Works (Partnership Firm) and thereby making them Wholly Owned Subsidiary of the Company. But the said acquisition was not made as on March 31, 2020.
- c. The members of the Company through postal ballot results dated July 12, 2019 approved issue via share swap on Preferential basis up to 5,08,070 equity shares of face value Rs. 10/- each at a minimum floor price of Rs. 112/- per Equity Share or at such higher price as may be determined in accordance with Regulation 164/165 of the Issue of Capital and Disclosure Requirements Regulations, 2018, for consideration other than cash aggregating to Rs. 569.04 Lakhs under Promoter Category. But the said allotment was not made as on March 31, 2020.
- d. The members of the Company through postal ballot results dated July 12, 2019 approved migration of the company's present listing from SME Platform (EMERGE) of National Stock Exchange of India (NSE) to Main Board of NSE. But the migration was pending as on March 31, 2020.
- e. The members of the Company at their Annual General Meeting held on September 16, 2019 has authorized the Board of Directors of the Company to advance any loan including any loan represented by a book debt or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the company, upto an aggregate sum of Rs. 40 crores.
- f. The members of the Company at their Annual General Meeting held on September 16, 2019 approved continuation of payment of remuneration to Mr. Vinay K. Uchil, Member, Chairman and Wholetime Director and Mr. Venkatesh K. Uchil, Managing Director who are Executive Directors and Promoters of the Company in excess of threshold limits as per SEBI (Listing Obligation and Disclosure Requirements) Amendment Regulations, 2018.
- g. Audit Committee and Board of Directors has Ratified and Approved Omnibus Related Party Transactions vide meeting held on 23rd May, 2019.
- h. The Constitution of Statutory auditor was changed from SG J & Co. to Saini Pati Shah & Co. LLP.
- i. Mr. Vikas Jaywant has been appointed as an Additional Director (Non- Executive & Independent) on the Board of the Company via circular resolution w.e.f 24th February, 2020.
- j. BEN-1 was received on April 26, 2019 and BEN-2 form was deployed by MCA on July 2nd, 2019 the Company has filed the said BEN-1 on August 20th, 2019 with the Registrar of Companies.
- k. Credit Rating Agency, ICRA Limited revised ratings of the Company in June 2019 i.e. long term rating from ICRA BBB+ to ICRA BBB- and Short term rating from ICRA A2+ to ICRA A3 for the bank facilities, same was filed under Regulation 30 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on which clarification was sought by NSE and the Company provided clarification to NSE.

vi. Other laws applicable specifically to the Company namely:

- (a) The Legal Metrology Act, 2009;
- (b) The Batteries (Management & Handling) Rules, 2001;
- (c) The Electricity Act, 2003;
- (d) Air (Prevention And Control Of Pollution) Act, 1981
- (e) Water (Prevention And Control Of Pollution) Act, 1974
- (f) Environment (Protection) Act, 1986
- (g) Hazardous And Other Wastes (Management & Transboundary Movement) Rules, 2016
- (h) 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")
- (i) Factories Act, 1948;

And all other applicable laws related to all labour laws and other applicable laws.

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

- i. Secretarial Standards with regard to meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and The Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE);

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

- a. *The resolution passed by the Board of Directors of the Company Pursuant to section 179 (3)(d)(e)(f) of the Act, in their Board meeting held on July 20, 2019 for delegating authority to borrow money, to invest, to grant loans or give guarantee or providing security in respect of loan was filed with the Registrar of Companies with additional filing fees.*
- b. *The resolution passed by the Board of Directors of the Company pursuant to section 179 (3)(d) of the Act, in their Board meeting held on July 20, 2019 for renewal of borrowing facilities from ICICI Bank was filed with the Registrar of Companies with additional filing fees.*
- c. *An ordinary resolution passed by the members of the Company pursuant to the provisions of section 61 of the Act, through postal ballot results dated July 12, 2019 for increase in Authorised Share Capital and consequent amendment to Memorandum of Association of the Company was filed with the Registrar of Companies with additional filing fees.*
- d. *The Company was unable to spend the entire amount on CSR spends, as stipulated under the Act and thus had a shortfall of CSR spends to the extent of Rs. 14,51,926/-.*
- e. *The Company has submitted half yearly / annual financial results; However, the said filing doesn't provide certain minor detail requirement as per Regulation 52 (4) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- f. *The Company has made on account payments on behalf of related parties being private limited Companies and Partnership firms, wherein directors are interested.*

I further report that:-

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

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

1. Major Order received:-

1. From Sterling and Wilson Private Limited for Boeing Project amounting to Rs. 21.89 crores and was required to be executed within 6 months. Company informed to NSE and further clarification was sought on this by NSE, the Company provided clarification to NSE.
2. From Afcons Infrastructure Limited (AFCONS) for Oil & Natural Gas Corporation Ltd amounting to Rs. 18.43 crores.

On account of pandemic "COVID 2019" and nationwide lockdown impose by governments, the audit process has been modified, wherein certain document/ records etc. were verified in electronic mode, have relied on the representations received from the Company for its accuracy and authenticity.

For Khandelwal Kothari & Associates,
Company Secretaries

Sd/-

Sheetal Khandelwal Kothari

Proprietor

ACS: 50706

COP: 18395

UDIN No.: A05076B000528194

Place: Udaipur

Date: July 30, 2020

This report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

Annexure – A

To,
The Members,
Marine Electricals (India) Limited
CIN:- L31907MH2007PLC176443
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 records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- 3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- 4) Where ever required, I 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, and Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Khandelwal Kothari & Associates,
Company Secretaries

Sd/-
Sheetal Khandelwal Kothari
Proprietor
ACS:50706
COP:18395
UDIN No.:A05076B000528194

Place: Udaipur
Date: July 30, 2020

ANNEXURE VII
MANAGEMENT DISCUSSION AND ANALYSIS
I. Overview of the Company's Business:

Marine Electricals' business prospects are linked to the growth of Electrical Power Generation and Distribution needs of India and neighboring 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. The electronics business leveraging our strong partners base in navigation and communication segments has made MEIL a turn-key package solution provider to the shipyards and positioned ourselves as a credible integrator. 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.

II. Performance of the Company:

The Key Financials Parameters as on 31st March, 2020 on Standalone and Consolidated Basis are as follows:

Standalone:

Particular	As on 31 st March 2020	As on 31 st March 2019
Debt/Equity Ratio	0.23	0.32
Debtor Turnover Ratio	1.69	2.28
Interest Coverage Ratio	2.05	2.72
Current Ratio	1.53	1.54
Operating Profit Ratio	6.19%	8.40%
Net Profit Ratio	3.07%	2.40%

Consolidated

Particular	As on 31 st March 2020	As on 31 st March 2019
Debt/Equity Ratio	0.30	0.34
Debtor Turnover Ratio	1.69	2.14
Interest Coverage Ratio	2.13	2.53
Current Ratio	1.52	1.57
Operating Profit Ratio	10.83%	10.48%
Net Profit Ratio	3.16%	2.30%

III. Performance of each Segments

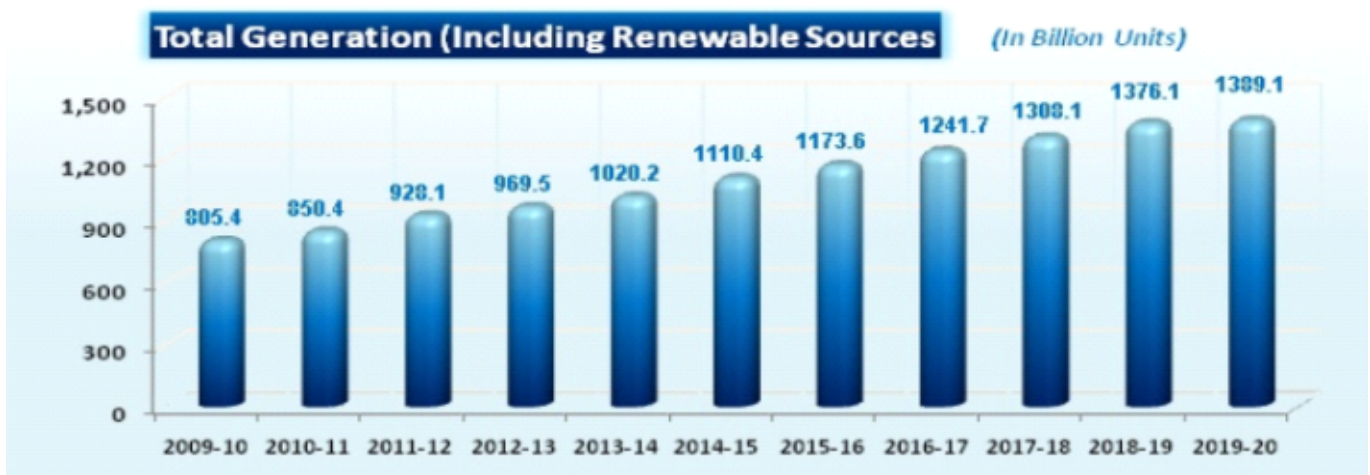
Our Company is mainly dealing into two segments viz Electricals & Electronics and Solar. The Company has been receiving orders from customers for Electricals & Electronics segment on regular basis. Solar segment largely being EPC projects business so the Company is moving slow on getting new projects in this segment as the existing two Solar projects which are still in progress and moving towards completion. The Company achieved revenues of Rs. 187.30 Crores for Electricals & Electronics segment and Rs. 20.41 Crores for Solar segment during FY 2019-20 as against Rs. 193.27 Crores for Electricals & Electronics segment and Rs. 129.96 Crores for Solar segment during FY 2018-19.

The Company achieved profit before tax and interest of Rs. 15.12 Crores for Electricals & Electronics segment and Rs. (5.19) Crores for Solar segment during FY 2019-20 as against Rs. 20.46 Crores for Electricals & Electronics segment and Rs. (5.77) Crores for Solar segment during FY 2018-19.

Electrical Power Generation and Distribution Sector

1. The annual average GDP growth (%) data of 2014-18, as per World Economic Outlook (April 2019 database) of International Monetary Fund, exhibits that India has emerged as the fastest growing major economy in the world, India has now become the sixth largest economy in the world. The GDP of India has grown at 6.8% during 2018-19 as against the 7.2% during 2017-18. The GDP growth for the year 2019-20 is projected at 7%. This is against the world's growth of 3.6% during 2018 and projected growth of 3.3% during 2019.
2. India's installed capacity and its transmission infrastructure is amongst the largest in the world. Government has also undertaken a number of policy and reform based initiatives like SAUBHAGYA, Affordable 12x7, Power for All, IPDS, UDAY, UJALA, Energy Efficiency etc. for growth of the sector.
3. The country has been successively witnessing considerable growth in the sector, as listed hereunder:

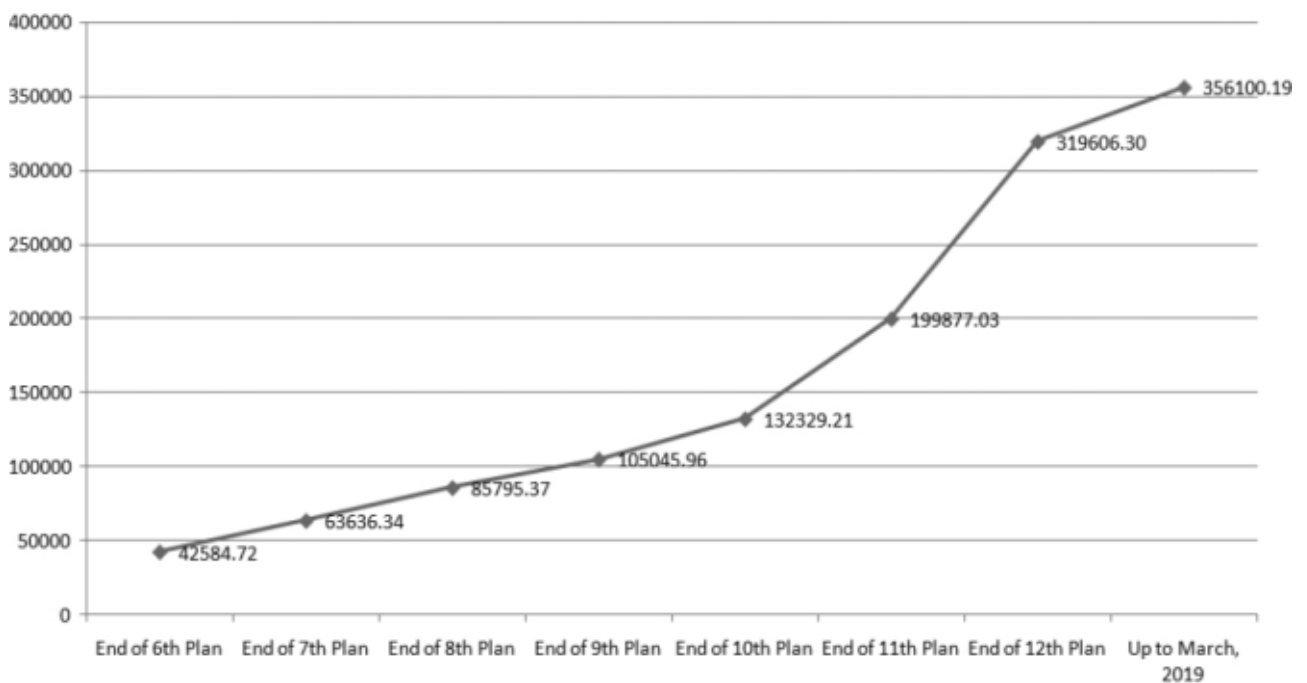
Generation (Billion Units)



Source: <https://powermin.nic.in/en/content/power-sector-glance-all-india>

4. Growth trajectory of all India Installed capacity is as under:

Installed Capacity (in MW)



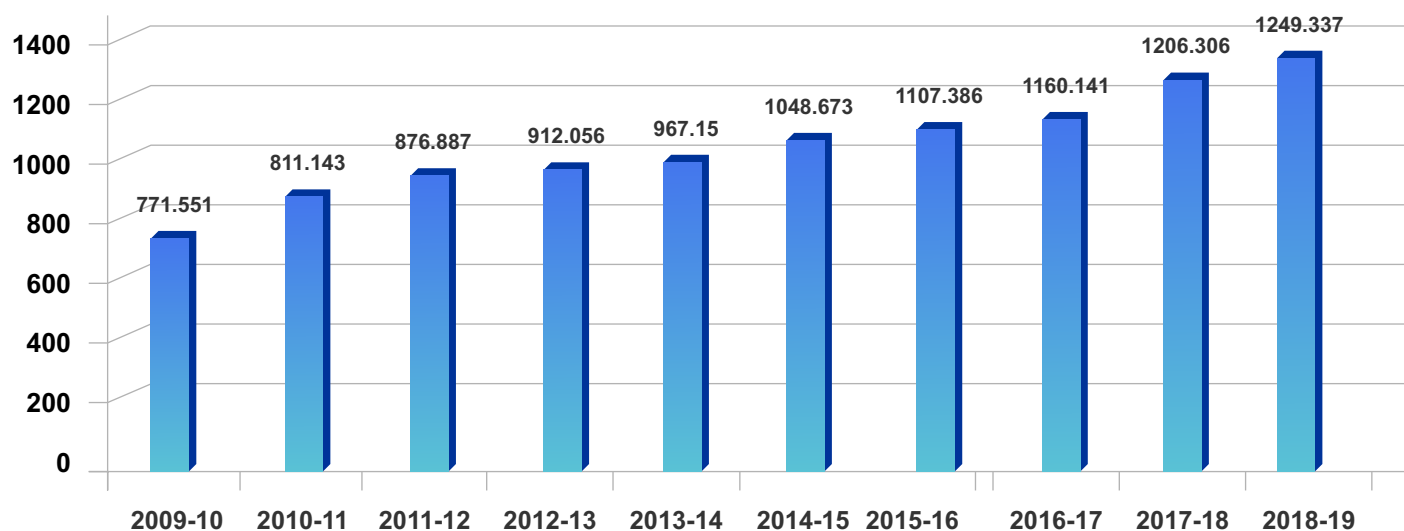
5. Generation and growth in conventional generation in the country during 2009-10 to 2019-20 is:-

Year	Energy Generation from Conventional Sources (BU)	% of growth
2009-10	771.551	6.6
2010-11	811.143	5.56
2011-12	876.887	8.11
2012-13	912.056	4.01
2013-14	967.150	6.04
2014-15	1048.673	8.43
2015-16	1107.822	5.64
2016-17	1160.141	4.72
2017-18	1206.306	3.98
2018-19	1249.337	3.57
2019-20	1250.78	6.33

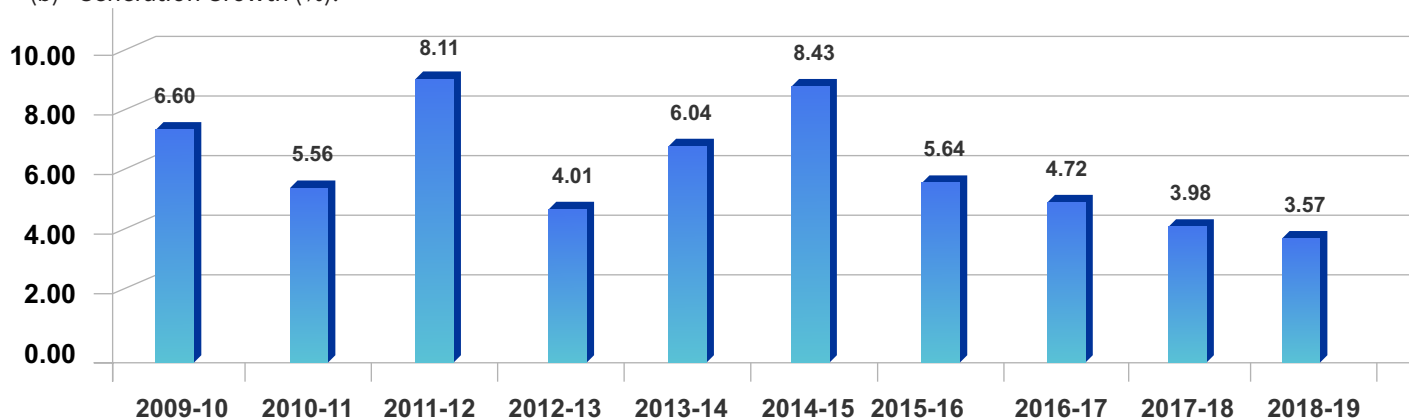
Source : CEA

6. Power Generation Growth Trends:

(a) Generation (Billion Units)



(b) Generation Growth (%):



7. 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.

Ship Technical Services Sector:

8. The shipping industry outlook for 2019 and beyond has been relatively buoyant. The shipping demand is projected to grow by 2.5 percent in 2019, mainly driven by agricultural products and minor bulk commodities; whereas the global dry bulk fleet is projected to grow at 2.8 percent this year. "This was attributed to an overall improvement in seaborne trades, while supply fundamentals of shipping remained reasonably healthy.

Our services business of marine and defence sector also continues to be healthy and expected to grow along with the buoyant business scenario. So also remains the navigation and Communication business in sync with the growth of shipping industry.

9. 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. (Amount in Lakhs)

Year	Order Book*	Revenue/ Sales*	PBIT*
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
2014-15	807.58	18,929.43	1,175.38

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

10. 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.

IV. 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.

V. 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.

VI. Statutory Compliance

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

VII. 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.

VIII. 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.

On behalf of the board of directors

Sd/-

Mr. Vinay K. Uchil
Chairman and Whole Time Director
DIN: 01282671

Sd/-

Mr. Venkatesh K. Uchil
Managing Director
DIN: 01276871

Date: 30th July 2020

Place: Mumbai

ANNEXURE VIII
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 2020

Sl. No.	Name & Designation	Remuneration received during the period from April 1, 2019 to March 31, 2020	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. Vijay Kumar	Rs. 15,16,669	Regular	B.E. Electricals and 27 Yrs.	22/03/2018	15/11/1968	Indian Navy Reliance Naval & Engg. Ltd.	No	Nil
2	Mr. Rohit Rajendra Shetty	Rs. 24,00,000	Regular	B.com, Chartered Accountant and 21 Yrs.	12/03/2018	10/12/1974	N. Sudhir Shetty & co Positive Packaging Industries Ltd. Gitanjali Gems Ltd. Tara Jewels Ltd.	No	Nil
3	Mr. T K Mani	Rs. 24,00,000	Regular	Na	01/08/2018	15/10/1950	NA	No	Nil
4.	Mr. Pritesh Jani	Rs. 24,33,456	Regular	B.E Electricals and 15 Yrs.	01/06/2016	24/01/1984	Phoenix Contact India Emerson Export Engineering	No	Nil
5.	Mr. Suresh Nair	Rs. 23,22,660	Regular	B.E Electricals and 22 Yrs.	12/02/2019	24/12/1969	Merchant Navy	No	Nil
6.	Mr. Rajeev Malhotra	Rs. 19,32,000	Regular	Mech Tech-IIT Delhi 30 Yrs.	01/06/2013	17/03/1963	Sub Lieutenant Indian Navy Swith n Control Gears Pvt. Ltd.	No	Nil
7.	Mrs. Stella D'Souza	Rs. 18,87,768	Regular	12 th and 26 Yrs	01/04/2013	29/01/1968	No	No	Nil
8.	Mr. Dhansukh L Gohil	Rs. 18,30,480	Regular	B.E Electricals 27 Yrs.	07/04/2014	14/05/1971	Elcome International LLC, Dubai MEANS Pvt. Ltd.	No	Nil

DIRECTOR'S REPORT

Sl. No.	Name & Designation	Remuneration received during the period from April 1, 2018 to March 31, 2019	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
9.	Mr. Aditya Desai	Rs. 17,38,935	Regular	CA and 12 Yrs.	21/10/2019	21/09/1986	Mercator Petroleum Ltd Tuaman Engg. Ltd	No	Nil
10.	Mr. P. R. Mohanraj	Rs. 15,30,000	Regular	B.E. Electricals and 35 yrs.	08/05/2020	30/07/1964	Indian Navy	No	Nil

On behalf of the board of directors

Sd/-

Mr. Vinay K. Uchil
Chairman and Whole Time Director
DIN: 01282671

Sd/-

Mr. Venkatesh K. Uchil
Managing Director
DIN: 01276871

Date: 30th July 2020

Place: Mumbai

ANNEXURE IX
THE STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL AS PER RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The remuneration and perquisites provided to the employees and Management are at par with the industry levels. The remunerations paid to the Managing Director and senior executives are reviewed and recommended by the Nomination and Remuneration Committee.

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year

Sl. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Mr. Vinay K Uchil (Chairman & WholeTime Director)	13.79
2	Mr. Venkatesh K Uchil (Managing Director)	13.79
3	Dr. Tanuja D Pudhierkar (Director)	0.00
4	Mr. Shailendra Kumar Shukla (Director)	0.00
5	Mr. Madan Pendse (Independent Director)	0.00
6	Mr. Nikunj Mishra (Independent Director)	0.00
7	Mr. Vikas Jaywant (Independent Director)	0.00

*Median remuneration of Employees: Rs. 29,000

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year

Sl. No.	Name of the Director	Percentage increase in remuneration
1.	Mr. Vinay K Uchil (Chairman & WholeTime Director)	0.00%
2.	Mr. Venkatesh K Uchil (Managing Director)	0.00%
3.	Dr. Tanuja D Pudhierkar (Director)	Not paid any salaries
4.	Mr. ShailendraKumar Shukla (Director)	Not paid any salaries
5.	Mr. Madan Pendse (Independent Director)	Not paid any salaries
6.	Mr. Nikunj Mishra (Independent Director)	Not paid any salaries
7.	Mr. Vikas Jaywant (Independent Director)	Not paid any salaries
7.	Mr. Rohit Shetty (Chief Financial Officer)	0.00%
8.	Mr. Aditya Desai (Chief Financial Officer)	0.00%
9.	Ms. Vedashri Chaudhari (Company Secretary)	0.00%
10.	Ms. Reesha Ratanpal (Company Secretary)	0.00%

(iii) The percentage increase in the median remuneration of employees in the financial year 2019-2020: 31.22%

(iv) The number of permanent employees on the rolls of Company

There are 378 permanent employees on the rolls of the Company in the financial year 2019-20.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: The Average percentile increase already made in the salaries of employees is 7.35%

There are two Whole-time Directors i.e., Mr. Venkatesh Uchil, Managing Director and Mr. Vinay Uchil, Chairman & Whole-Time Director. There has been no increase in the managerial remuneration for the financial year.

(vi) The Remuneration paid to Key Managerial Personnel is as per the Remuneration policy of the Company.

Sl. No.	Name & Designation	Remuneration received	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	The last employment held before joining 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	Whether is a relative of any director or manager of the Company
1.	Mr. Vinay Uchil Wholtime Director	Rs. 48 Lacs	Permanent	B. E. (Instrumentation) and MBA (Finance)	1999	48 Years	NA	0.00%	Brother of Mr. Venkatesh Uchil
2.	Mr. Venkatesh Uchil Managing Director	Rs. 48 Lacs	Permanent	B.E. (Electronics and Telecomm) and PG Diploma in Management	1999	42 Years	Na	21.83%	Brother of Mr. Vinay Uchil

Note: There are no other employees who draw remuneration in excess of the limits prescribed in Rule 5(2) (i), (ii) & (iii) of the Companies (Appointment and Remuneration) Rules, 2014

On behalf of the board of directors

Sd/-

Mr. Vinay K. Uchil
Chairman and Whole Time Director
DIN: 01282671

Sd/-

Mr. Venkatesh K. Uchil
Managing Director
DIN: 01276871

Date: 30th July 2020

Place: Mumbai

To,
the Members of

Marine Electrical (India) Limited

(formerly known as Marine Electricals (India) Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Marine Electricals (India) Limited (formerly known as Marine Electricals (India) Private Limited) (“the Company”), which comprise the standalone balance sheet as at 31 March 2020, the standalone statement of profit and loss and the standalone cash flow statement for the year 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 Accounting Standards (“AS”) prescribed under section 133 of the Act or accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, the profits and 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.

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, adjusted for discounts. As disclosed in Note 2.8 to the standalone financial statements, revenue from sale of products is recognized when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of products. Revenue from support services is recognized on rendering of services in accordance with the contractual agreement with the customers.</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.

Sr. No.	Key Audit Matters	Auditor's response
2	<p>Investment in subsidiaries</p> <p>As set out in Note 14 to the standalone financial statements, the Company has investments in subsidiary companies and partnership firms. These investments are carried at cost less allowance for impairment. Due to challenging economic and market conditions, there is a risk that the carrying amounts of these investments might be impaired. As at 31 March 2020, the management did not identify any subsidiary company or partnership firm where indications of impairment are present.</p>	<p>Our audit procedures included the assessment of whether there were indications of impairment of such investment. If so, we have assessed the whether the management has estimated the recoverable amounts of these investments, the reasonableness of the approach used by the management in making such estimates and the adequacy of allowance of impairment, if necessary.</p>

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 Board's Report including Annexures to Board's 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with 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 are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are 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, 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, 2016 ('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. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the standalone balance sheet, the standalone statement of profit and loss and the standalone cash flow statement 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 AS prescribed under Section 133 of the Act;

- (e) on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
- (g) With respect to the matter to be included in the Auditors' Report under Section 197(16):

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) which are required to be commented upon by us.

- (h) 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 Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 29.1 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;
 - 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 2020.

For Saini Pati Shah & Co LLP,
(formerly known as S G J & Co.)

Chartered Accountants
Firm's Registration No: 137904W/W100622

Som Nath Saini

Partner

Membership No: 093079

UDIN:20093079AAAABG6306

Mumbai, July 30, 2020

Annexure A to the Independent Auditors' Report – 31 March 2020

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 2020, we report the following:

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (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 our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and we are informed that 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 immovable properties (other than leasehold land) as disclosed in the standalone financial statements, are held in the name of the Company.
- (ii) 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 the discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and as explained to us, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act for the business activities carried out by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) 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 Income-tax, Duty of customs, Provident fund, Employees' State Insurance, Profession tax, Goods and Services tax, Cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities though there has been significant delays in certain instances. As explained to us, the Company did not have any dues on account of wealth tax, sales-tax / value added tax, duty of excise and investor education and protection fund.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Duty of customs, Provident fund, Employees' State Insurance, Profession tax, Goods and Services tax, Cess and other material statutory dues were in arrears as at 31 March 2020 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 dues of Income-tax, Duty of customs, Duty of excise, Sales tax, Service tax, Value added tax and Goods and Services tax as at 31 March 2020, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount demanded (Rs in Lakhs)
The Income tax act 1961	Income tax and interest	Assessing Officer	A.Y. 2013-14 to A.Y. 2015-16	13.95
The Income tax act 1961	Income tax and interest	Assessing Officer	A.Y. 2016-17	17.89
Sales Tax Act and VAT laws	Sales tax and interest	Assessing commercial tax Officer	F.Y. 2009-10	43.46
Sales Tax Act and VAT laws	Sales tax and interest	Assessing commercial tax Officer	F.Y. 2016-17	27.66
Entry tax	Goa entry tax and interest	commercial tax authorities	F.Y. 2012-13 to F.Y. 2016-17	18.18

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans to banks and financial institutions. The Company did not have any outstanding dues to government and debenture holders during the year.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by applicable AS.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Saini Pati Shah & Co LLP,
(formerly known as S G J & Co.)
Chartered Accountants
Firm's Registration No: 137904W/W100622

Som Nath Saini
Partner
Membership No: 093079
UDIN:20093079AAAABG6306

Mumbai, July 30, 2020

Annexure B to the Independent Auditors' Report – 31 March 2020

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 (formerly known as Marine Electricals (India) Private Limited) ("the Company") as of 31 March 2020 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 2020, 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,
(formerly known as S G J & Co.)

Chartered Accountants

Firm's Registration No: 137904W/W100622

Som Nath Saini

Partner

Membership No: 093079

UDIN:20093079AAAABG6306

Mumbai, July 30, 2020

STANDALONE BALANCE SHEET

as at 31 March 2020

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

EQUITY AND LIABILITIES

Shareholders' funds

	Note No.	31 March 2020	31 March 2019
Share capital	3	2,453.31	2,453.31
Reserves and surplus	4	10,597.58	9,959.77
		13,050.89	12,413.08

Non-current liabilities

Long-term borrowings	5	841.86	1,099.52
Deferred tax liabilities (net)	6	3.84	76.16
Other long-term liabilities	7	20.00	20.00
Long-term provisions	8	229.96	194.26
		1,095.66	1,389.94

Current liabilities

Short-term borrowings	9	2,166.00	2,821.74
Trade payables	10		
- Dues to micro and small enterprises		74.31	-
- Dues to other than micro and small enterprises		11,134.54	9,460.22
Other current liabilities	11	1,478.30	1,808.61
Short-term provisions	12	211.61	140.19
		15,064.76	14,230.76

Total		29,211.31	28,033.78
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ASSETS

Non-current assets

Property, plant and equipment	13		
Tangible assets		3,925.02	3,058.36
Intangible assets		50.41	27.33
Capital work-in-progress		-	1443.07
Non-current investments	14	1,290.46	1,226.96
Long-term loans and advances	15	458.03	378.75
Other non-current assets	16	469.48	8.85
		6,193.40	6,143.32

Current assets

Inventories	17	5,582.33	3,236.52
Trade receivables	18	12,258.92	13,722.94
Cash and bank balances	19	1,158.37	1,423.71
Short-term loans and advances	20	3,967.40	3,470.49
Other current assets	21	50.89	36.80
		23,017.91	21,890.46

Total		29,211.31	28,033.78
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Significant accounting policies

2

Notes to the standalone financial statements

3-29

The accompanying notes 3-29 form an integral part of the standalone financial statements.

As per our report of even date attached.

For **SAINI PATI SHAH & CO LLP**

(Formerly Known as S G J & CO)

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

formerly known as Marine Electricals (India) Private Limited

Vinay Uchil

Chairman and Executive Director

DIN: 01276871

Reesha Ratanapal

Company Secretary and Compliance Officer

Mumbai, 30 July 2020

Marine Electricals (India) Limited

Annual Report 2019-2020

STANDALONE STATEMENT OF PROFIT AND LOSS

For the year ended 31st March 2020

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

	Note No.	31 March 2020	31 March 2019
Income			
Revenue from operations	22	20,771.13	32,323.03
Other income	23	603.35	281.63
		21,374.48	32,604.66
Expenses			
Cost of materials consumed	24	16,844.53	26,913.81
Changes in inventories of finished goods and work-in-progress	25	(1,726.84)	(528.43)
Employee benefits expense	26	1,938.43	1,714.58
Finance costs	27	767.29	629.88
Depreciation and amortisation	13	553.73	344.13
Other expenses	28	2,191.85	2,436.54
		20,568.99	31,510.50
Profit before tax		805.49	1,094.16
Tax expense:			
- Current tax		240.00	425.00
- Deferred tax charge / (credit)		(72.32)	(108.56)
Profit after tax		637.81	777.72
Earning per equity share (in rupees)			
- Basic and diluted earning per equity share of face value of Rs 10 each	29.9	2.60	3.68
Significant accounting policies	2		
Notes to the standalone financial statements	3-29		

The accompanying notes 3-29 form an integral part of the standalone financial statements.

As per our report of even date attached.

For **SAINI PATI SHAH & CO LLP**
(Formerly Known as S G J & CO)
Chartered Accountants
Firm's Registration No: 137904W/W100622

For and on behalf of the Board of Directors of
Marine Electricals (India) Limited
formerly known as Marine Electricals (India) Private Limited

Som Nath Saini
Partner
Membership No: 093079

Venkatesh Uchil
Managing Director
DIN: 01282671

Vinay Uchil
Chairman and Executive Director
DIN: 01276871

Namita Sethia
Chief Financial Officer

Reesha Ratanapal
Company Secretary and Compliance Officer

Mumbai, 30 July 2020

STANDALONE CASH FLOW STATEMENT

For the year ended 31st March 2020

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

	31 March 2020	31 March 2019
A) Cash flow from operating activities:		
Profit before taxation	805.49	1,094.16
Depreciation and amortisation	553.73	344.13
Unrealised exchange (gain) / loss	(132.30)	(23.59)
Advances and sundry balances (written back) / written off	(2.98)	50.51
Loss / (profit) on sale of property, plant and equipment (net)	17.77	(2.41)
Bad debts written off	124.40	109.11
Provision for doubtful receivables	-	50.21
Share of (profit) / loss from partnership firms	(64.90)	(36.57)
Finance costs	767.29	634.17
Interest income	(167.17)	(93.27)
Operating profit before working capital changes	1,901.33	2,126.45
Adjustments for changes in working capital:		
Increase in inventories	(2,345.81)	(571.47)
Decrease in trade receivables	1,381.74	751.88
Increase in loans & advances and other assets	(433.32)	(1,264.07)
Increase / (Decrease) in trade payable	1,718.46	(3,473.40)
Decrease in liabilities and provisions	(311.82)	(1,469.66)
Cash generated from operations	1,910.58	(3,900.27)
Direct taxes paid (net)	(182.87)	(747.17)
Net cash flows generated from / (used in) operating activities	(A) 1,727.70	(4,647.44)
B) Cash flow from investing activities:		
Purchase of property, plant and equipment (including capital work in progress, movement in capital advances and capital creditors)	(84.66)	(1,057.29)
Gross receipt on sale of property, plant and equipment	52.14	9.57
Movement in fixed deposits	(27.63)	699.61
Net capital (infused in) / withdrawn from partnership firms	1.40	(444.80)
Interest received	148.59	122.50
Net cash flows generated from / (used in) investing activities	(B) 89.84	(670.41)
(C) Cash flow from financing activities:		
Proceeds from / (repayment of) long term borrowings (net)	(245.75)	1,028.65
Repayment of short term borrowings (net)	(655.74)	(121.81)
Proceeds from issue of equity shares	-	649.60
Proceeds from receipt of securities premium	-	3,637.76
Payment of IPO expenses	-	(199.50)
Finance costs paid	(748.41)	(626.77)
Net cash flows (used in) / generated from financing activities	(C) (1,649.89)	4,367.93
Net increase / (decrease) in cash and cash equivalents	(A+B+C) 167.65	(949.92)
Cash and cash equivalents at the beginning of the year	300.55	1,250.47
Cash and cash equivalent at the end of the year	468.20	300.55

STANDALONE CASH FLOW STATEMENT

For the year ended 31st March 2020

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

	31 March 2020	31 March 2019
Note		
1 Component of cash and cash equivalent (Refer note 19)		
Cash in hand	7.06	6.57
Bank balance		
- in current accounts	141.93	158.94
- EEFC accounts	9.66	67.05
- cash credit accounts	309.55	67.99
	468.20	300.55
2 The above cash flow statement has been prepared under "indirect method" set out in Accounting Standard - 3 on cash flow statements.		

As per our report of even date attached.

For **SAINI PATI SHAH & CO LLP**
(Formerly Known as S G J & CO)
Chartered Accountants
Firm's Registration No: 137904W/W100622

For and on behalf of the Board of Directors of
Marine Electricals (India) Limited
formerly known as Marine Electricals (India) Private Limited

Som Nath Saini
Partner
Membership No: 093079

Venkatesh Uchil
Managing Director
DIN: 01282671

Vinay Uchil
Chairman and Executive Director
DIN: 01276871

Namita Sethia
Chief Financial Officer

Reesha Ratanapal
Company Secretary and Compliance Officer

Mumbai, 30 July 2020

1. Company overview

The Company was incorporated as a private limited company with the name “Marine Electricals (India) Private Limited” on 4th December 2007 under the Companies Act, 1956 by converting a partnership firm with the name “Marine Electricals”. On 1st 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.

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. Significant accounting policies

2.1 Basis of preparation of standalone financial statements

The accounting policies set out below have been applied consistently to the periods presented in these standalone financial statements.

The accompanying standalone financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (‘the Act’). The standalone financial statements are presented in Indian Rupees. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

2.2 Use of estimates

The preparation of standalone financial statements in conformity with generally accepted accounting principles (‘GAAP’) in India requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the standalone financial statements. The estimates and assumptions used in the accompanying standalone financial statements are based upon management’s evaluation of the relevant facts and circumstances as of the date of standalone financial statements which in management’s opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying standalone financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Current / Non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity’s normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the entity’s normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the balance sheet date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services 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 Property, plant and equipment (tangible assets) and depreciation

Property, plant and equipment (tangible assets) are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes inward freight, duties, taxes (to the extent not recoverable from tax authorities) and expenses incidental to acquisition and installation up to the time the assets are ready for intended use.

Capital work-in-progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use at the balance sheet date and are carried at cost comprising direct cost, related incidental expenses, other directly attributable costs and borrowing costs.

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if they increase the future benefit from existing assets beyond its previously assessed standard of performance.

Depreciation on property, plant and equipment except leasehold land, is provided under the written down value method in accordance with the useful life prescribed in Schedule II to the Act. Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use. Depreciation on sale of assets is provided up to the date of sale of the asset.

The estimated useful lives of the property, plant and equipment 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

A property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses from disposal / retirement of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the standalone statement of profit and loss.

Leasehold land is amortised on a straight line basis over the unexpired period of respective lease arrangement. Annual lease rent paid is charged to the standalone statement of profit and loss.

Leasehold improvements are amortised over the lower of estimated useful life as per Schedule II or intended lease period.

Advance paid for acquisition/ construction of fixed assets which are not ready for their intended use at each balance sheet date are disclosed as advances on capital account.

2.5 Intangible assets and amortisation

Intangible assets are carried at cost of acquisition less accumulated amortisation and impairment loss, if any. Intangible assets 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 are as follows:

Intangible Assets	Estimated useful life (in Years)
Software	3

License are amortised on a straight-line basis over a period of ten years, which in management opinion represents the period during which economic benefits will be derived from their use.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses from disposal / retirement of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the standalone statement of profit and loss

2.6 Impairment of assets

In accordance with Accounting Standard 28 on ‘Impairment of assets’, the Company assesses at each balance sheet date, whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment loss is recognised in the standalone statement of profit and loss or against revaluation surplus, where applicable.

If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re-assessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciated historical cost.

2.7 Inventories

Inventories other than scrap materials are carried at lower of cost or net realisable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis.

Inventory of scrap materials have been carried at net realisable value.

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 costs 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.

2.8 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured.

Sale of products

Revenue from sale of products is recognized when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of products. Sales are accounted net of taxes and trade discounts, if any, unless stated otherwise.

Revenue from support services

Revenue from support services is recognized on rendering of services in accordance with the contractual agreement with the customers and are recognised net of taxes, unless stated otherwise.

Interest income

Interest income is recognized using the time proportion method, based on the amount outstanding and the underlying interest rates.

Rental income

Rental income is recognized on a time proportion method based on the lease agreements.

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.

2.9 Foreign currency transactions

(i) Initial Recognition

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

(ii) Conversion

Monetary items denominated in foreign currencies at the year end are restated at year end rates. 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; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement or on reporting of monetary items of Company at rates different from those at which they were initially recognized are recorded as income or as expenses in the year in which they arise.

2.10 Employee benefits

(a) 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.

(b) 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 cash compensation 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.

2.11 Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Non-current investments are stated at cost unless there is any diminution in value, other than temporary, where provision for diminution is made on individual investment basis. Current investments are valued at cost or fair value, whichever is lower. Earning on investments is accounted for on accrual basis.

2.12 Taxes on income

Income tax expense comprises of current tax expense and deferred tax expense or credit.

Current taxes

Provision for current income-tax is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the tax laws applicable to the Company.

Deferred taxes

Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in the subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that the sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

2.13 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets till such assets become operational. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the standalone statement of profit and loss in the period in which they are incurred. The capitalisation of borrowing cost is suspended when the activities necessary to prepare the qualifying asset are deferred / interrupted for significant period of time.

2.14 Earnings per share

The basic and dilutive earnings per equity share is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period. The

number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares, unless the results would be anti-dilutive.

2.15 Leases**As a lessee**

Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating leases. Lease payments under operating lease are recognised as an expense in the standalone statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

As a lessor

The Company has leased certain tangible assets and such leases where the Company has sustainability retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the standalone statement of profit and loss on an accrual basis in accordance with the lease agreement.

2.16 Segment reporting**Identification of segments**

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operates.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

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

2.17 Derivative contracts:

Derivative contracts entered into, to hedge foreign currency/price risks on unexecuted firm commitments and highly probable forecast transactions, are recognised in the standalone financial statements at fair value as on the balance sheet date. The gains or losses arising out of fair valuation of derivative contracts are recognised in the standalone statement of profit and loss or standalone balance sheet, as the case may be, after applying the test of hedge effectiveness. The gains or losses are recognised as hedge reserve in the standalone balance sheet when the hedge is effective and where the hedge is ineffective the same is recognised in the standalone statement of profit and loss.

The premium or discount on forward contracts is amortised as expense or income over the period of the contract.

Gains and losses on roll over or cancellation of derivative contracts which qualify as effective hedge are recognised in the standalone statement of profit and loss in the same period in which the hedged item is accounted.

2.18 Government grants and subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that:

- (a) the Company will comply with all the necessary conditions attached to them; and
- (b) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the standalone statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to a specific property, plant and equipment, the same is shown as a deduction from the gross value of the asset concerned in arriving at its book value and accordingly the depreciation is provided on the reduced book value.

2.19 Provisions and contingencies

Provision

Provision is recognized in the balance sheet when the Company has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimation can be made of the amount required to settle the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at each balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

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 arising from claims, litigation, assessment, fines, penalties etc. are disclosed when there is a possible obligation or a present obligation as a result of a past event where it is not probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reasonably estimated. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed.

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

3. Share Capital

Authorised

3,00,00,000 (Previous year: 2,50,00,000) equity shares of Rs. 10 each

31 March 2020

31 March 2019

3,000.00

2,500.00

Issued, subscribed and paid-up

2,45,33,050 (Previous year: 2,45,33,050) equity shares of Rs. 10 each, fully paid-up

2,453.31

2,453.31

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:

	31 March 2020		31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of Rs 10 each fully paid-up				
At the beginning of the year	24,533,050	2,453.31	18,037,050	1,803.71
Shares issued during the year	-	-	6,496,000	649.60
At the end of the year	24,533,050	2,453.31	24,533,050	2,453.31

b) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares having a par value of Rs. 10 per share (Previous Year: Rs 10 per share). Accordingly, all equity shares rank equally with regards to dividends and share in the Company's residuals assets. The equity share holders are entitled to receive dividend from time to time. Each holder of equity shares is entitled to one vote per share.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c) Shares held by holding company

	31 March 2020		31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of Rs 10 each fully paid-up				
KDU Enterprises Private Limited	12,681,375	1,268.14	12,681,375	1,268.14

d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	31 March 2020		31 March 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity shares of Rs 10 each fully paid-up				
KDU Enterprises Private Limited	12,681,375	51.69%	12,681,375	51.69%
Mr. Venkatesh K. Uchil	5,354,475	21.83%	5,354,475	21.83%

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

4 Reserves and Surplus
a) Securities premium account

	31 March 2020	31 March 2019
At the commencement of the year	3,983.54	545.28
Add: Premium on shares issued during the year	-	3,637.76
Less: Share issue expenses	-	(199.50)
At the end of the year	<u>3,983.45</u>	<u>3,983.54</u>

b) General Reserve

At the commencement of the year	708.10	708.10
Add: Movement during the year	-	-
At the end of the year	<u>708.10</u>	<u>708.10</u>

c) Surplus as per the statement of profit and loss

At the commencement of the year	5,268.13	4,490.41
Add: Profit for the year	637.81	777.72
At the end of the year	<u>5,905.94</u>	<u>5,268.13</u>

Total Reserves and Surplus

<u>10,597.58</u>	<u>9,959.77</u>
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5 Long-term borrowings

	31 March 2020		31 March 2019	
	Non Current	Current	Non Current	Current
Secured:				
Term loans:				
a) From bank				
(i) Vehicle loan {refer note (a) and (b)}	7.05	4.49	9.00	5.56
(ii) Other term loans {refer note (c) and (d)}	817.21	266.93	1,086.12	316.07
	<u>824.26</u>	<u>271.42</u>	1,095.12	321.63
b) From others				
Vehicle loan {refer note (e) and (f)}	-	4.57	4.40	9.85
Unsecured:				
Term loans:				
(a) From banks {refer note (g)}	14.46	35.54	-	-
(b) From others {refer note (h)}	3.14	31.86	-	-
	<u>841.86</u>	<u>343.39</u>	1099.52	331.48

Current maturities of long term borrowings are classified as other current liabilities (Refer note - 11)

Notes:

- (a) Indian rupee vehicle loans from ICICI Bank Limited outstanding of Rs 5.32 Lakhs as at 31 March 2020 (Previous year: Rs 5.36 Lakhs) secured against hypothecation of vehicles is repayable in monthly installments for 60 months. The loans carry interest ranging from 9.00% p.a. to 9.75% p.a. (Previous year: 9.00% p.a. to 11.26% p.a.).
- (b) Indian rupee vehicle loan from Yes Bank Limited outstanding of Rs 6.22 Lakhs as at 31 March 2020 (Previous year: Rs 9.20 Lakhs) secured against hypothecation of the vehicle is repayable in 37 monthly installments. The loan carries an interest of 9.50% p.a. (Previous year: 9.50% p.a.).
- (c) Foreign Currency Non-Resident (Bank) "FCNR(B)" term loan from ICICI Bank Limited outstanding of Rs. Nil as at 31 March 2020 (Previous year: USD 15,945 equivalent to Rs 11.15 Lakhs) is primarily 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 loan 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 and also subservient hypothecation charge on current assets i.e. entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movable 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 loan is repayable in 30 monthly installments. The loan carries an interest of LIBOR 3M + 4.05% (Previous year: LIBOR 3M + 4.05%). 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.
- The tenure of the loan have been completed and the loan is repaid back by the Company during the year.
- Indian rupee term loan from ICICI Bank Limited outstanding of Rs 20.49 Lakhs as at 31 March 2020 (Previous year: Rs 102.45 Lakhs) is primarily secured by charge on all of the Company's fixed assets (Plant and Machinery) funded by the loan. The loan 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, (after providing 1.5 times cover to the primary collateral of FCNR(B) term loan mentioned above) equitable mortgage of commercial property at Plot No.16, Road No. 9, MIDC, Andheri East, Mumbai which is owned by the Company and also subservient hypothecation charge on current assets i.e. entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movable 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 loan is repayable in 13 quarterly installments. The loan carries an interest of I-MCLR 1 Year + Spread of 1.90% p.a. (Previous year: I-MCLR 1 Year + Spread of 1.90% 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.
- (d) Indian rupee term loan from Kotak Mahindra Bank Limited outstanding of Rs 1,063.65 Lakhs as at 31 March 2020 (Previous year: Rs 1,288.59 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. (Previous year: 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 vehicle loan from Kotak Mahindra Prime Limited outstanding of Rs 3.23 Lakhs as at 31 March 2020 (Previous year: Rs 10.40 Lakhs) secured against hypothecation of the vehicle is repayable in 36 monthly installments. The loan carries an interest of 8.50% p.a. (Previous year: 8.50% p.a.).
- (f) Indian rupee vehicle loan from Volkswagen Finance Private Limited outstanding of Rs 1.34 Lakhs as at 31 March 2020 (Previous year: Rs 3.85 Lakhs) secured against hypothecation of the vehicle is repayable in 36 monthly installments. The loan carries an interest of 8.75% p.a. (Previous year: 8.75% p.a.).
- (g) Indian rupee term loan from ICICI Bank Limited outstanding Rs 50 Lakhs as at 31 March 2020 (Previous year: Rs Nil). The loan is unsecured and is repayable in 15 monthly installments. The loan carries an interest of 16.50% p.a. (Previous year: Nil).
- (h) Indian rupee term loan from Tata Capital Financial Services Limited outstanding Rs 35 Lakhs as at 31 March 2020 (Previous year: Rs Nil). The loan is unsecured and is repayable in 12 monthly installments. The loan carries an interest of 16.50% p.a. (Previous year: Nil).

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

31 March 2020

31 March 2019

6 Deferred tax liabilities (net)

The components of deferred tax balances are as follows:

(A) Deferred tax liability

Arising on account of timing differences in:

Excess of depreciation / amortisation on property, plant and equipment under income tax laws over depreciation / amortisation provided in the books	123.42	202.95
Deferred tax liability (A)	123.42	202.95

(B) Deferred tax assets

Provision for gratuity	48.07	55.03
Provision for compensated absences	14.18	15.99
Provision for doubtful debts	8.32	-
Expenses disallowed u/s 43B of the Income-tax Act, 1961	18.88	-
Share issue expenses allowable u/s 35D of the Income-tax Act, 1961	30.13	55.77
Deferred tax assets (B)	119.58	126.79

Deferred tax liabilities - net (A)-(B)

3.84	76.16
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7 Other long-term liabilities

Security deposits	20.00	20.00
	20.00	20.00

8 Long-term provisions

Provision for employee benefits (refer note 29.10)		
- Gratuity	176.29	152.21
- Compensated absences	53.67	42.05
	229.96	194.26

9 Short-term borrowings

Secured:

Cash credits from banks {refer note (a) to (c)}	2,166.00	2,821.74
	2,166.00	2,821.74

Notes:

(a) Cash credit facility from Axis Bank Limited outstanding of Rs 48.45 Lakhs as at 31 March 2020 (Previous year: Rs 48.74 Lakhs) carrying interest of 3 month MCLR + 2 bps (Previous year: 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. both present and future of the Company in pari passu with other banks. The facility is collaterally secured by 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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

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

- (b) Cash credit facility from State Bank Of India outstanding of Rs 2,117.55 Lakhs as at 31 March 2020 (Previous year: Rs 2,773.00 Lakhs) carrying interest of 3.5% above 1 year MCLR (Previous year: 3% 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:
- 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.;
 - 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.
- © Cash credit facility from ICICI Bank Limited outstanding of Rs Nil as at 31 March 2020 (Previous year: Rs Nil) carrying interest of 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, (after providing 1.5 times cover to the primary collateral of FCNR(B) term loan mentioned above) equitable mortgage of commercial property at Plot No.16, Road No. 9, MIDC, Andheri East, Mumbai which is owned by the Company and is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited, the Holding Company.
- The Company has a debit balance in cash credit account as on the date of Balance Sheet in both the years (refer note 19).

	31 March 2020	31 March 2019
10 Trade payables		
- Total outstanding dues to micro and small enterprises (Refer note 29.7)	74.31	-
- Total outstanding dues to other than micro and small enterprises	11,134.54	9,460.22
	11,208.85	9,460.22
11 Other current liabilities		
Current maturities of long-term borrowings	343.39	331.48
Interest accrued but not due on borrowings	26.28	7.40
Advance from customers	700.15	1,026.64
Creditors for purchase of property, plant and equipment	70.50	84.85
Employee dues payable	187.07	164.53
Accrual for expenses	53.67	19.70
Statutory dues payable:		
- Tax deducted / collected at source	67.66	42.32
- Goods and service tax	-	107.59
- Provident fund	24.52	12.46
- Employee state insurance	2.14	1.90
- Profession tax	0.70	0.12
Commissioning expense payable	-	7.40
Other payables	2.22	2.22
	1,478.30	1,808.61

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

31 March 2020

31 March 2019

12 Short-term provisions

Provision for employee benefits (refer note 29.10)

- Gratuity	14.70	5.28
- Compensated absences	2.69	3.70

Provision for taxation [net of advance tax Rs 998.65 lakhs
(Previous year: Rs 827.44 lakhs)]

183.84	115.06
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Provision for warranties (refer note below)

10.38	16.15
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211.61	140.19
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Notes:

A provision is recognised for expected warranty claims and after sales services on sale of products, based on past experience of the level of repairs and returns. The table below gives information about movement in warranty provisions.

Particular	31 March 2020	31 March 2019
At the beginning of the year	16.15	-
Arising during the year	10.38	16.15
Utilized / Reversed during the year	(16.15)	-
At the end of the year	10.38	16.15

13 Property, plant and equipment

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

	Tangible Assets							Intangible Assets		Total				
	Leasehold land	Freehold land	Buildings	Plant and machinery (including drilling rig)	Computers	Furniture and fixtures	Leasehold improvements	Vehicles	Office equipments		Total	License	Softwares	Total
Gross Block	404.14	24.54	2,238.34	2,481.33	124.60	255.84	50.82	118.30	106.34	5,804.25	-	138.28	138.28	5,942.53
At 1 April 2019	-	-	1,351.95	100.23	10.75	0.43	-	3.88	1.11	1,468.35	33.75	11.28	45.03	1,513.38
Additions during the Year	-	-	-	(91.99)	-	-	-	-	-	(97.43)	-	-	-	(97.43)
Reclassification during the Year	-	-	-	2,489.57	135.35	256.27	50.82	116.74	107.45	7,175.17	33.75	149.56	183.31	7,358.48
Disposals / Adjustments during the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2020	21.79	-	1,089.44	1,118.38	112.21	204.79	33.34	68.94	97.00	2,745.89	-	110.95	110.95	2,856.84
Depreciation / Amortisation	21.79	-	247.44	215.53	10.11	13.46	4.52	15.97	2.98	531.78	3.38	18.57	21.95	553.73
At 1 April 2019	-	-	-	(22.86)	-	-	-	-	-	(27.52)	-	-	-	(27.52)
Additions during the Year	-	-	-	1,311.05	122.32	218.25	37.86	80.25	99.98	3,250.15	3.38	129.52	132.90	3,383.05
Reclassification during the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals / Adjustments during the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2020	360.56	24.54	2,253.41	1,178.52	13.03	38.02	12.96	36.49	7.47	3,925.02	30.37	20.04	50.41	3,975.43
Net block at 31 March 2020	382.35	24.54	1,148.90	1,362.95	12.39	51.05	17.48	49.36	9.34	3,058.36	-	27.33	27.33	3,085.69
Capital work-in-progress														1,443.07
Opening balance														-
Add: Addition / reclassification during the year														(1,443.07)
Less: Asset capitalised during the year														-
Closing balance														-

	Tangible Assets							Intangible Assets		Total				
	Leasehold land	Freehold land	Buildings	Plant and machinery (including drilling rig)	Computers	Furniture and fixtures	Leasehold improvements	Vehicles	Office equipments		Total	License	Softwares	Total
Gross Block	95.12	-	2,238.34	2,070.74	113.79	295.92	50.82	130.63	104.69	5,049.23	-	114.31	114.31	5,163.54
At 1 April 2018	309.02	24.54	-	436.38	10.81	12.49	-	13.63	1.65	808.52	-	23.97	23.97	832.49
Additions during the Year	-	-	-	(25.79)	-	(50.82)	50.82	-	-	(53.50)	-	-	-	(53.50)
Reclassification during the Year	-	-	-	2,481.33	124.60	255.84	50.82	118.30	106.34	5,804.25	-	-	-	5,804.25
Disposals / Adjustments during the Year	404.14	24.54	2,238.34	2,481.33	124.60	255.84	50.82	118.30	106.34	5,804.25	-	-	-	5,942.53
At 31 March 2019	-	-	960.67	995.64	105.32	218.45	-	77.91	93.34	2,451.33	-	107.72	107.72	2,559.05
Depreciation / Amortisation	21.79	-	128.77	143.80	6.89	15.51	5.52	14.96	3.66	340.90	-	3.23	3.23	344.13
At 1 April 2018	-	-	-	(21.06)	-	(1.35)	27.82	-	-	(46.34)	-	-	-	(46.34)
Additions during the Year	-	-	-	1,118.38	112.21	204.79	33.34	68.94	97.00	2,745.89	-	-	-	2,856.84
Reclassification during the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals / Adjustments during the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2019	382.35	24.54	1,148.90	1,362.95	12.39	51.05	17.48	49.36	9.34	3,058.36	-	27.33	27.33	3,085.69
Net block at 31 March 2019	95.12	-	1,277.67	1,075.10	8.47	77.47	-	52.72	11.35	2,597.90	-	6.59	6.59	2,604.49
Capital work-in-progress														1,362.00
Opening balance														81.07
Add: Addition / reclassification during the year														-
Less: Asset capitalised during the year														-
Closing balance														1,443.07

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

31 March 2020

31 March 2019

14 Non-current investments
Investments (At cost):
Trade investments: Unquoted
Investments in equity instruments of subsidiaries (fully paid-up)

90 (Previous year: 90) Equity shares of AED 1500 each in MEL Power Systems FZC formerly known as Marine Electricals (FZC)	19.38	19.38
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210,000 (Previous year: 210,000) Equity shares of Rs 10 each in Eltech Engineers Madras Private Limited	2.10	2.10
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Others investments
Investments in partnership firms (Refer note below)

Investment in Narhari Engineering Works	1,266.09	1,201.27
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Investment in Automatic Electronic Controls Manufacturing Co.	2.89	4.21
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	1,290.46	1,226.96
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Aggregate amount of unquoted investments	1,290.46	1,226.96
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Note:
Details of investments in partnership firms

Names of the partners	31 March 2020		31 March 2019	
	% Share	Capital	% Share	Capital
Narhari Engineering Works				
Marine Electricals (India) Limited	80	1,266.09	80	1,201.27
<i>(formerly known as Marine Electricals (India) Private Limited)</i>				
Mr. Vinay Uchil	10	80.07	10	71.96
Mr. Venkatesh Uchil	10	80.07	10	71.96
		1,426.23		1345.19
Automatic Electronics Controls Manufacturing Co.				
Marine Electricals (India) Limited	50	2.89	50	4.21
<i>(formerly known as Marine Electricals (India) Private Limited)</i>				
KDU Enterprises Private Limited	50	4.29	50	5.70
		7.18		9.91

15 Long-term loans and advances
(unsecured, considered good)
To related parties (refer note 29.11)

Security deposits	336.88	260.00
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To others

Security deposits	38.43	40.30
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Loans to others	33.66	34.11
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Prepaid expenses	49.06	44.34
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	458.03	378.75
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NOTES TO THE STANDALONE FINANCIAL STATEMENT

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

	31 March 2020	31 March 2019
16 Other non-current assets		
Margin money deposits due to mature after 12 months of the reporting date	469.48	8.85
	469.48	8.85
17 Inventories		
<i>(At cost or net realisable value whichever is lower)</i>		
Raw materials	2,042.86	1,423.89
Work-in-progress	3,539.47	1,812.63
	5,582.33	3,236.52
18 Trade receivables		
<i>(unsecured)</i>		
Trade receivables outstanding for a period exceeding six months from the date they became due for payment		
- Considered good	1,730.67	6,634.50
- Considered doubtful	33.05	50.21
	1,763.72	6,684.71
Less: Provision for doubtful receivables	33.05	50.21
	1,730.67	6,634.50
Other receivables		
- Considered good	10,528.25	7,088.44
	12,258.92	13,722.94
19 Cash and bank balances		
<i>Cash and cash equivalents</i>		
Cash on hand	7.06	6.57
Bank balances		
- current accounts	141.93	158.94
- EEFC accounts	9.66	67.05
- cash credit accounts {refer note 9©}	309.55	67.99
Other bank balances		
- Margin money deposits due to mature within 12 months of the reporting date	690.17	1,123.16
	1,158.37	1,423.71

Particular	31 March 2020	31 March 2019
Margin money due to mature within 12 months of the reporting date included under 'Other bank balances'	690.17	1,123.16
Margin money due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer note 16)	469.48	8.85

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

	31 March 2020	31 March 2019
20 Short-term loans and advances		
<i>(Unsecured, considered good)</i>		
To related parties (refer note 29.11)		
Loan to subsidiar	50.00	50.00
Interest receivable on loan to subsidiary	8.25	3.75
Advance to suppliers	715.67	671.95
Security deposits	-	7.20
To others		
Advance to suppliers	2,035.84	1,790.36
Capital advances	7.25	7.25
Security deposits	16.76	64.04
Loans and advances to staff	123.03	118.51
Balance with government authorities	207.77	13.94
Advance tax and tax deducted at source [net of provision for tax Rs 1,478.50 lakhs (Previous year: Rs 1,478.50 lakhs)]	127.23	115.58
Prepaid expenses	126.19	96.86
Other loans and advances	549.41	531.05
	3,967.40	3,470.49
21 Other current assets		
<i>(Unsecured, considered good)</i>		
Interest accrued on deposits	46.05	31.96
Other receivable	4.84	4.84
	50.89	36.80
22 Revenue from operations		
Sale of products		
<i>Finished goods:</i>		
- Electricals and electronics	16,936.89	17,591.55
- Solar	1,821.72	8,684.89
	18,758.61	26,276.44
Sale of services		
- Electricals and electronics	1,771.13	1,710.89
- Solar	218.84	4,311.30
	1,989.97	6,022.19
Other operating revenues		
- Duty drawback	22.55	24.40
	20,771.13	32,323.03

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

	31 March 2020	31 March 2019
23 Other income		
Interest income	167.17	93.27
Rental income	123.18	130.53
Foreign exchange gain (net)	240.28	18.83
Sundry balances written back	2.98	-
Discount income	0.68	-
Insurance claim	4.16	-
Share of profit in partnership firms	64.90	36.59
Profit on sale of property, plant and equipments (net)	-	2.41
	603.35	281.63
24 Cost of materials consumed		
Inventory of materials at the beginning of the year	1,423.89	1,380.85
Add: Purchases	17,463.50	26,956.85
	18,887.39	28,337.70
Less: Inventory of materials at the end of the year	2,042.86	1,423.89
	16,844.53	26,913.81
Breakup of cost of material consumed		
- Electricals and electronics	14,748.12	13,688.66
- Solar	2,096.41	13,225.15
	16,844.53	26,913.81
25 Changes in inventories of finished goods and work-in-progress		
Inventories at the end of the year		
Work-in-progress	3,539.47	1,812.63
Finished goods	-	-
	3,539.47	1,812.63
Inventories at the beginning of the year		
Work-in-progress	1,812.63	1,281.30
Finished goods	-	2.90
	1,812.63	1,284.20
	(1,726.84)	(528.43)
26 Employee benefits expense		
Salary, allowances, wages, bonus and other benefits	1,692.08	1,497.38
Contribution to provident and other fund (Refer note 29.10)	98.28	105.12
Gratuity (Refer note 29.10)	60.16	49.50
Compensated absences (Refer note 29.10)	17.35	9.61
Staff welfare expenses	70.56	52.97
	1,938.43	1,714.58

NOTES TO THE STANDALONE FINANCIAL STATEMENT

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

	31 March 2020	31 March 2019
27 Finance costs		
Interest expense	477.40	358.92
Interest on delayed payments of taxes	8.34	27.24
Bank charges	252.93	221.32
Other financial charges	28.62	22.40
	767.29	629.88
28 Other expenses		
Rent	317.62	308.08
Power and fuel	86.45	85.05
Repairs and maintenance		
- plant and machinery	24.45	40.21
- buildings	1.36	6.17
Vehicle running expenses	19.90	25.58
Rates and taxes	10.72	64.74
Insurance	22.99	36.30
Liquidated damages	114.07	78.00
Inspection charges	55.35	99.08
Technical know-how expenses	20.00	60.00
Commissioning expenses	208.81	259.42
Clearing and forwarding expenses	228.11	388.50
Travelling and conveyance	243.87	81.52
Postage and telephone	31.96	38.53
Legal and professional fees	385.51	440.69
Payment to auditor's (refer note 29.6)	13.05	10.00
Expenses on corporate social responsibility (refer note 29.8)	4.20	8.50
Director sitting fees	3.60	1.80
Share of loss in partnership firms	-	0.02
Housekeeping and security charges	62.86	29.94
Printing and stationery	27.32	25.55
Sales promotion and advertisement expenses	140.25	109.30
Provision for doubtful receivables	-	50.21
Bad debts written off	124.40	109.11
Advances and sundry balances written off	-	50.51
Loss on sale of property, plant and equipments (net)	17.77	-
Miscellaneous expenses	27.24	29.73
Total	2,191.85	2,436.54

29. Notes to the accounts
29.1 Contingent liabilities and commitments (to the extent not provided for)
a. Contingent liabilities:

Particulars	31 March 2020	31 March 2019
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 794.09 lakhs (Previous year: Rs 794.09 lakhs) towards the counter bank guarantee received from sub-contractors	1,664.88	2,279.18
(ii) Other bank guarantees provided under contractual / legal obligations reduced by an amount of Rs 1,180.45 lakhs (Previous year: Rs 1,180.45) towards the counter bank guarantee received from sub-contractors	4,887.81	4,527.12
(iii) Foreign bank guarantees	1,586.97	1,546.10
b. Corporate guarantee given by the Company	232.94	233.33
c. Letter of credit opened in favour of suppliers	816.47	147.04
d. Bills discounted with bank	45.84	261.15
e. Disputed tax liabilities in respect of pending cases before appellate authorities [amount deposited under protest Rs 6.26 lakhs (previous year: Rs 6.26 lakhs)] {refer note (I)}	121.14	237.69

Notes:

i) The various disputed tax litigations are as under:

Particulars	Period to which relates	31 March 2020	31 March 2019
a. Income Tax			
Disallowances / additions made by the income tax department pending before various appellate authorities	AY13-14 to 16-17 (Previous year: AY 13-14 to 16-17)	31.84	174.75
b. Sales Tax / VAT			
Demands raised by Sales tax / VAT department pending before various appellate authorities	FY09-10 and FY 16-17 (Previous year FY 15-16)	71.12	62.94
c. Entry Tax			
Demands raised by Goa entry tax department	FY 12-13 to FY 16-17 (Previous year Nil)	18.18	-
		121.14	237.69

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 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

NOTES TO THE STANDALONE FINANCIAL STATEMENT

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

possible impact and update its provision, if required. The Management does not expect any material impact of the same for financial year 2019-20 based on the present salary structure followed by the Company for its class of employees.

b. Commitments:

Particulars	31 March 2020	31 March 2019
a. Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	65.25	65.25

29.2 Earnings in foreign currency (on accrual basis)

Particulars	31 March 2020	31 March 2019
F.O.B value of exports	1,656.05	2,110.03

29.3 Expenditure in foreign currency (on accrual basis)

Particulars	31 March 2020	31 March 2019
Legal and consultation fees	62.29	66.22
Commissioning and after sales services	10.04	50.14
Finance costs	28.62	22.40
Others	22.27	25.89
Total	123.22	164.65

29.4 Details of imported and indigenous raw material consumed during the financial year

Particulars	31 March 2020		31 March 2019	
	Value	% of Total Consumption	Value	% of Total Consumption
Imported	1,445.78	8.58	7,722.39	28.69
Indigenous	15,398.75	91.42	19,191.42	71.31
Total	16,844.53	100.00	26,913.81	100.00

29.5 Value of import calculated on CIF basis (on accrual basis)

Particulars	31 March 2020	31 March 2019
Raw materials	1,604.86	7,626.73

29.6 Payment to auditor's

Particulars	31 March 2020	31 March 2019
Statutory audit fees – Standalone	10.25	8.75
Statutory audit fees – Consolidation	1.50	1.25
Limited review fees	1.25	-
Out of pocket expenses	0.05	-
Total	13.05	10.00

29.7 Due to Micro, Small and Medium Enterprises

Particulars	31 March 2020	31 March 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	74.31	-

There is 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

29.8 Corporate social responsibility

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013.

Details of expenditure towards Corporate Social Responsibility (CSR) activities:

Particulars	31 March 2020	31 March 2019
a) Gross amount required to be spent by the Company during the year	18.72	14.77
b) Amount spent during the year on:		
i) Construction acquisition of any asset	-	-
ii) On purposes other than (i) above	4.20	8.50

29.9 Earnings per share (EPS)

Particulars	31 March 2020	31 March 2019
a) Profit after tax attributable to equity shareholders – Rs in lakhs	637.81	777.72
b) Basic and diluted earnings per share		
Weighted average number of equity shares during the year	24,533,050	21,115,976
Basic and diluted earnings per share (in rupees)	2.60	3.68
Face value of shares (in rupees)	10	10

29.10 Employee benefits

Defined contribution plan

Contribution to Provident funds

The Company makes contributions, determined as specified percentage of employee salaries, in respect of qualifying employees towards provident fund, employee state insurance scheme and labour welfare scheme, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the standalone statement of profit and loss as they accrue. The amount as an expense towards contribution to provident fund and other fund for the year aggregated to Rs. 98.28 lakhs (Previous year Rs. 105.12 lakhs).

Defined benefit plan

Gratuity

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 plan is unfunded.

The Company determines the gratuity liability based on the actuarial valuation using Projected Unit Credit Method as required by Accounting Standard (AS) 15 (Revised) prescribed in the Companies (Accounts) Rules, 2014 issued by the Central Government.

The following table summarizes the position of obligation relating to gratuity plan

i) Changes in present value of the defined benefit obligation

Particulars	31 March 2020	31 March 2019
Obligation as at beginning of the year	157.50	125.60
Current service cost	38.93	30.49
Interest cost	11.97	9.67
Benefits paid	(24.66)	(17.50)
Past service cost	-	27.55 [^]
Actuarial (gain) / loss on obligation	6.36	(18.31)
Obligation as at the end of the year	190.10	157.50

[^] The gratuity obligation for 27 employees with a joining date prior to 31 March 2018 was omitted from the previous year's valuation. This includes the gratuity obligation for 2 directors of Rs 19.25 lakhs. The value of this obligation is reflected as 'Past Service Cost'

ii) Fair value of plan assets

The gratuity scheme of the Company is not funded and therefore disclosures relating to fair value of the plan assets are not applicable.

iii) Amount recognised in the balance sheet

Particulars	31 March 2020	31 March 2019
Present value of defined benefit obligation	190.10	157.50
Fair value of plan assets	-	-
Liability recognised in the Balance Sheet	190.10	157.50

iv) Expenses recognised in the statement of profit and loss

Particulars	31 March 2020	31 March 2019
Current service cost	38.93	30.49
Interest cost	11.97	9.67
Past service cost	-	27.55
Net actuarial (gain) / loss for the year	6.36	(18.31)
Net benefit expenses	57.26	49.40

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

v) Balance sheet reconciliation

Particulars	31 March 2020	31 March 2019
Net liability as at the beginning of the year	157.50	125.60
Expenses as above	57.26	49.40
Benefit paid directly by the employer	(24.66)	(17.50)
Amount recognized in the balance sheet (Net liability)	190.10	157.50

vi) Actuarial assumptions

Particulars	31 March 2020	31 March 2019
Discount rate	6.60% p.a.	7.60% p.a.
Salary growth rate	8.00% p.a.	8.00% p.a.
Withdrawal / Attrition rate	2.00% p.a.	2.00% p.a.
Expected weighted average remaining working lives	13 years	13 years
Mortality Table	IALM 2012-2014 (Ult.)	IALM 2012-2014 (Ult.)

vii) Experience adjustment

Particulars	31 March 2020	31 March 2019
Defined benefit obligation	190.10	157.50
(Surplus)/ Deficit	190.10	157.50
Exp. Adj. on plan liabilities: (gain) / loss	(14.01)	(19.94)
Exp. Adj. on plan assets: gain / (loss)	NA	NA

- Gratuity is payable to all eligible employees of the Company on superannuation, death, and permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972 (as amended).
- The discount rate is based on the prevailing market yields on Indian Government securities as at the balance sheet date for the projected term of the obligations.
- The estimates of future salary growth considered in the actuarial valuation take into account an employee's seniority, promotion and other factors as well as inflation.
- Assumptions regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to mortality.

Other long-term employee benefit

The obligation of compensated absences (non-funded) for the year 31 March 2020 amounting to Rs. 17.35 lakhs (Previous year Rs. 9.61 lakhs) has been recognized in the standalone statement of profit and loss, based on actuarial valuation carried out using Projected Unit Credit Method.

29.11 Related party disclosures

A) Name of related parties

(i) Holding Company

KDU Enterprises Private Limited

(ii) Other related parties

(a) Subsidiary companies

Eltech Engineers Madras Private Limited
MEL Power Systems FZC

(b) Step down subsidiary company / joint venture / associates

STI S.R.L., a subsidiary company of MEL Power Systems FZC
Technology Ventures Middle East (FZC), 50% held by MEL Power Systems FZC (upto 20 October 2019)
Technology Ventures Middle East (FZC), 25% held by MEL Power Systems FZC (w.e.f 21 October 2019)

(c) Partnership firms in which Company is partner

Automatic Electronic Controls Manufacturing Co.
Narhari Engineering Works

(d) Partnership firms in which directors are partners

DKM Precision Engineers
Philins Industrial Corporation
WIN Marine Consultancy Services

(e) Enterprises in which directors have significant influence

KDU Marine Equipment Trading and Maintenance LLC
KDU Worldwide Middle East Marine Services LLC
KDU Worldwide Technical Services FZC
KDU Worldwide Technical Services Ghana Private Limited
KDU Worldwide Technical Services Private Limited, Srilanka
KDU Worldwide Technical Services Nigeria Private Limited
Mcgeoch Marine Electricals Private Limited
Switch N Control Gears Private Limited
Voks Ship Management Private Limited
WIN Marine Engineering Services

(f) Key managerial personnel and relatives

Mr. Vinay Uchil, Chairman and Executive Director
Mr. Venkatesh Uchil, Managing Director
Mr. Rohit Shetty, Chief Financial Officer upto 19 October 2019
Mr. Aditya Desai, Chief Financial Officer w.e.f. 14 November 2019
Ms. Vedshri Chaudhari, Company Secretary upto 24 June 2019
Ms. Reesha Ratanpal, Company Secretary w.e.f. 20 July 2019
Ms. Rashmi Uchil, Wife of Mr. Vinay Uchil
Ms. Reshma Uchil, Wife of Mr. Venkatesh Uchil

B) Related party transactions during the year

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
a) Rent expense		
KDU Enterprises Private Limited	230.10	212.40
Philins Industrial Corporation	31.86	28.32
Ms. Rashmi Uchil	7.20	7.20
b) Rent income		
DKM Precision Engineers	30.09	44.25

NOTES TO THE STANDALONE FINANCIAL STATEMENT

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

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
c) Interest expense		
KDU Enterprises Private Limited	-	1.38
d) Interest income		
Eltech Engineers Madras Private Limited	5.00	4.16
e) Consultancy fees		
Ms. Rashmi Uchil	7.20	7.20
f) Share in profit of partnership firm		
Narhari Engineering Works	64.82	36.59
Automatic Electronic Controls Manufacturing Co.	0.08	-
g) Share in loss of partnership firm		
Automatic Electronic Controls Manufacturing Co.	-	0.02
h) Purchases		
Eltech Engineers Madras Private Limited	302.98	2.58
KDU Enterprises Private Limited	251.95	241.77
KDU Marine Equipment Trading and Maintenance LLC	5.78	22.65
KDU Worldwide Technical Services FZC	-	14.40
Mcgeoch Marine Electricals Private Limited	9.12	44.74
MEL Power Systems FZC	15.99	82.06
Philins Industrial Corporation	7.62	11.08
Switch N Control Gears Private Limited	66.97	171.86
STI S.R.L.	6.98	0.48
Technology Ventures Middle East (FZC)	1.38	-
i) Commissioning expense		
Technology Ventures Middle East (FZC)	3.68	-
j) Sales		
Eltech Engineers Madras Private Limited	9.26	361.09
Mcgeoch Marine Electricals Private Limited	68.71	0.38
MEL Power Systems FZC	140.84	82.52
Narhari Engineering Works	10.74	14.35
KDU Enterprises Private Limited	6.43	14.34
KDU Marine Equipment Trading and Maintenance LLC	19.43	128.27
Technology Ventures Middle East (FZC)	36.89	25.43
k) Sale of property, plant and equipments		
KDU Enterprises Private Limited	60.15	-
l) Loan repaid		
KDU Enterprises Private Limited	-	38.00
m) Loan given		
Eltech Engineers Madras Private Limited	-	50.00
n) Advance paid to suppliers and received back		
KDU Enterprises Private Limited	225.08	145.00
Mcgeoch Marine Electricals Private Limited	-	176.00
Philins Industrial Corporation	5.00	45.00
Switch N Control Gears Private Limited	-	195.11
STI S.R.L.	23.24	-

NOTES TO THE STANDALONE FINANCIAL STATEMENT

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

Particulars	Year ended	Year ended
	31 March 2020	31 March 2019
o) Advance received from customers and repaid back		
KDU Enterprises Private Limited	-	157.00
Mcgeoch Marine Electricals Private Limited	5.15	-
p) Capital infusion in partnership firms		
Narhari Engineering Works	-	550.00
Automatic Electronic Controls Manufacturing Co.	0.10	-
q) Capital withdrawn from partnership firm		
Automatic Electronic Controls Manufacturing Co.	1.50	16.20
Narhari Engineering Works	-	89.00
r) Salary		
Ms. Reshma Uchil	4.80	-
s) Managerial remuneration		
Mr. Venkatesh Uchil	48.00	48.00
Mr. Vinay Uchil	48.00	48.00
Mr. Rohit Shetty	13.23	16.00
Mr. Aditya Desai	17.39	-
Ms. Vedshri Chaudhari	0.67	1.00
Ms. Reesha Ratanpal	2.54	-
Mr. Sudhir Gupta	-	0.70

Note:

Amounts of transactions during the year pertaining to statement of profit and loss are gross of taxes, wherever applicable.

C) Outstanding balances as at year end

Particulars	31 March 2020	31 March 2019
a) Loan receivable		
Eltech Engineers Madras Private Limited	50.00	50.00
b) Interest receivable on loan		
Eltech Engineers Madras Private Limited	8.25	3.75
c) Trade receivables		
DKM Precision Engineers	47.16	35.45
Eltech Engineers Madras Private Limited	177.03	171.37
KDU Enterprises Private Limited	54.87	14.34
KDU Marine Equipment Trading and Maintenance LLC	126.25	170.41
KDU Worldwide Technical Services FZC	-	4.07
KDU Worldwide Technical Services Ghana Private Limited	52.38	47.76
MEL Power Systems FZC	143.70	98.28
Technology Ventures Middle East (FZC)	16.72	89.69
WIN Marine Engineering Services	-	17.96
Mcgeoch Marine Electricals Private Limited	25.97	-
Narhari Engineering Works	7.77	-

NOTES TO THE STANDALONE FINANCIAL STATEMENT

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

Particulars	31 March 2020	31 March 2019
d) Advance to suppliers		
DKM Precision Engineers	300.00	300.00
Eltech Engineers Madras Private Limited	90.37	90.37
Mcgeoch Marine Electricals Private Limited	19.00	14.00
Philins Industrial Corporation	31.03	26.00
STI SRL	275.27	241.58
e) Trade payables		
KDU Marine Equipment Trading and Maintenance LLC	8.94	2.63
KDU Worldwide Technical Services FZC	15.34	14.21
MEL Power Systems FZC	17.84	0.63
Narhari Engineering Works	-	2.97
STI SRL	7.80	0.48
Eltech Engineers Madras Private Limited	44.47	-
Technology Ventures Middle East (FZC)	47.04	-
Switch N Control Gears Private Limited	0.28	-
f) Advance from customers		
MEL Power Systems FZC	5.18	-
g) Security deposits receivables		
KDU Enterprises Private Limited	281.68	240.00
Philins Industrial Corporation	48.00	20.00
Ms. Rashmi Uchil	7.20	7.20
h) Capital in partnership firm		
Narhari Engineering Works - Fixed capital	400.00	400.00
Narhari Engineering Works - Current capital	866.09	801.27
Automatic Electronic Controls Manufacturing Co.	2.89	4.21
i) Managerial remuneration payable		
Mr. Venkatesh Uchil	11.00	-
Mr. Vinay Uchil	10.48	-
j) Rent payable		
Ms. Rashmi Uchil	0.54	-

29.12 Segment reporting

The Company has identified business segment as its primary reporting segment and geographical segment as its secondary segment.

(i) Primary segment information

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 primary reportable business segments comprising of:

a. Electricals and Electronics

b. Solar

Particulars	31 March 2020	31 March 2019
A. Revenue		
Segment revenue		
(a) Electricals and Electronics	18,730.57	19,326.84
(b) Solar	2,040.56	12,996.19
Total	20,771.13	32,323.03
B. Results		
Segment results		
(a) Electricals and Electronics	1,512.09	2,041.90
(b) Solar	(519.20)	(577.52)
Total	992.89	1,464.38
Less: Finance costs	767.29	629.88
Add: Other unallocable income net of unallocable expenses	579.89	259.66
Profit before tax	805.49	1,094.16
Tax expense	167.68	316.44
Profit after tax	637.81	777.72
C. Other information		
Segment assets		
(a) Electricals and Electronics	23,359.13	20,780.34
(b) Solar	5,852.18	7,253.44
Segment liabilities		
(a) Electricals and Electronics	11,470.68	9,982.45
(b) Solar	3,594.058	4,248.32
Capital employed (Segment asset – Segment liabilities)		
(a) Electricals and Electronics	11,888.45	10,797.90
(b) Solar	2,258.10	3,005.12
Depreciation and amortisation		
(a) Electricals and Electronics	473.94	269.99
(b) Solar	79.79	74.14
Capital expenditure		
(a) Electricals and Electronics	1,513.38	371.86
(b) Solar	-	460.63

(ii) Secondary segment information

The Company caters mainly to the needs of the Indian markets and the export turnover being 7.97% (Previous Year: 6.53%) of the total turnover of the Company. There are no reportable geographical segments. All assets are located in India.

29.13 Lease

- a) The Company has not entered into any finance lease as specified in Accounting Standard (AS) 19 Leases. The Company has, however, taken various residential/commercial premises under operating leases arrangements. These lease arrangements are normally renewed on expiry, wherever required.
- b) During the year, an amount of Rs. 317.62 lakhs (Previous year: Rs 308.08 lakhs) was recognised as an expense in the standalone statement of profit and loss in respect of operating leases.

29.14 Unhedged foreign currency exposure

Foreign currency exposures not hedged by derivative instruments are as follows:

Particulars	Foreign currency	Amount in Foreign currency 2020	Amount equivalent in Rs Lakhs 2020	Amount in Foreign currency 2019	Amount equivalent in Rs Lakhs 2019
Foreign currency receivables					
- representing advances	USD	1,353,682	1,015.94	1,245,405	742.47
	EURO	32,689	26.85	19,223	14.84
- representing trade receivables	USD	572,926	429.98	806,482	551.88
	EURO	230,306	189.17	105,064	80.16
Foreign currency payable					
- representing trade payable	AEM	15,411	3.25	4,750	0.92
	USD	494,363	375.22	1,783,248	1,247.03
	EURO	403,114	339.66	204,041	161.23
	NOK	-	-	91,785	7.48
	GBP	2,100	1.95	-	-
- representing advances	USD	80,704	61.25	-	-
	EURO	6,216	5.24	-	-
Foreign Currency Non-Resident (Bank) "FCNR(B)" Loan	USD	-	-	15,945	11.15
Foreign currency notes	USD	202	0.17	364	0.29
	EURO	28	0.02	581	0.41

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

29.15 Previous year's figures

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

As per our report of even date attached.

For **SAINI PATI SHAH & CO LLP**
(Formerly Known as S G J & CO)
Chartered Accountants
Firm's Registration No: 137904W/W100622

**For and on behalf of the Board of Directors of
Marine Electricals (India) Limited**
formerly known as Marine Electricals (India) Private Limited

Som Nath Saini
Partner
Membership No: 093079

Venkatesh Uchil
Managing Director
DIN: 01282671

Vinay Uchil
Chairman and Executive Director
DIN: 01276871

Namita Sethia
Chief Financial Officer

Reesha Ratanapal
Company Secretary and Compliance Officer

Mumbai, 30 July 2020

To,

The Members of

Marine Electrical (India) Limited

(formerly known as Marine Electricals (India) Private Limited)

Report on the Audit of the Consolidated Financial Statements**Opinion**

We have audited the accompanying consolidated financial statements of Marine Electricals (India) Limited (formerly known as Marine Electricals (India) Private Limited) ("the Company") and its subsidiaries, joint ventures and associates (the Company and its subsidiaries, joint ventures and associates together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2020, the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "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, joint ventures and associates 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 Accounting Standards ("AS") prescribed under section 133 of the Act or other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, the consolidated profit and 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 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 these matters, we draw attention to following matters included in Notes to the financial statements:

1. Note 2.3 of the consolidated financial statements regarding the fact that a subsidiary company has incurred a marginal profit of Rs 2.90 lakhs for the year ended 31 March 2020. As at 31 March 2020, its accumulated losses were Rs 287.45 lakhs, the current liabilities were Rs. 865.95 lakhs and current assets were Rs. 493.66 lakhs. Further, its net worth as at 31 March 2020 was negative Rs 257.45 lakhs. The appropriateness of the going concern assumption is dependent upon realisation of various business initiatives undertaken by the subsidiary company. The majority shareholder i.e. Marine Electricals (India) Limited, of the subsidiary company has committed to provide all financial and other support to enable the subsidiary company to operate as a going concern.
2. Note 30.10 of the consolidated financial statements regarding the fact that in case of subsidiaries and joint ventures 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, adjusted for discounts. As disclosed in Note 2.10 to the consolidated financial statements, revenue from sale of products is recognized when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of products. Revenue from support services is recognized on rendering of services in accordance with the contractual agreement with the customers.</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. <p>With regards to subsidiaries and joint ventures included in the consolidated financial statements, we have relied on the respective audited / unaudited separate financial statements / financial information made available to us.</p>

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 Board's Report including Annexures to Board's 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. If, based on the work done / audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the AS and other accounting principles generally accepted in India. The respective Board of Directors / Management of the subsidiaries, joint ventures and associates included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and for preventing and detecting frauds and other irregularities; the 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 are responsible for assessing the ability of the Group 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 objective is 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, 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 in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 subsidiaries, joint ventures and associates 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 para (a) and (b) of the section titled 'Other Matters' in this audit report.

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

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Company and such other subsidiaries included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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 annual financial statements include the audited financial statements of 3 subsidiaries whose financial statements reflect Group's share of total assets of Rs. 6,899.44 lakhs as at 31 March 2020, Group's share of total revenue of Rs. 4,027.37 lakhs and Group's share of total net profit after tax of Rs. 157.60 lakhs respectively, before giving effect to the consolidated adjustments, and the Group's share of net cash flows (net) of Rs. (41.94) lakhs (negative) as considered in the consolidated annual financial statements, which have been audited by their respective independent auditors. The consolidated annual financial statements also include the Group's share of net profit after tax of Rs 180.18 lakhs, before giving effect to the consolidated adjustments, as considered in the consolidated annual financial statements, in respect of 1 step down joint venture / associates, whose financial statements 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 annual 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.
- b. The consolidated annual financial statements include the unaudited financial results of 1 step down subsidiary, whose financial statements reflect Group's share of total assets of Rs. 5,317.97 lakhs as at 31 March 2020, Group's share of total revenue of Rs. 2,147.84 lakhs and Group's share of total net profit after tax of Rs. 10.80 lakhs respectively, before giving effect to the consolidated adjustments, and the Group's share of net cash flows (net) of Rs. 30.12 lakhs as considered in the consolidated annual financial statements. The consolidated annual financial statements also include the Group's share of net profit after tax of Rs 0.08 lakhs, before giving effect to the consolidated adjustments, as considered in the consolidated annual financial statements, in respect of 1 joint venture. These unaudited financial statements have 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 these subsidiaries and jointly controlled entities 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, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management and Board of Directors.

Report on Other Legal and Regulatory Requirements

1. 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, joint ventures and associates 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 aforesaid consolidated financial statements;
- (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- (c) the consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) in our opinion, the aforesaid consolidated financial statements comply with the 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 2020 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to the financial statements of the Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) with respect to the matter to be included in the Auditors' Report under Section 197(16):

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 company incorporated in India, the remuneration paid during the current year by the Company and its subsidiary company incorporated in India 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

- (h) 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 joint ventures 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 – Refer Note 30.1 to the consolidated financial statements;
 - ii. the Company and such subsidiaries and joint ventures included in the Group did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiary company incorporated in India during the year ended 31 March 2020.

For Saini Pati Shah & Co LLP,
(formerly known as S G J & Co.)

Chartered Accountants

Firm's Registration No: 137904W/W100622

Som Nath Saini

Partner

Membership No: 093079

UDIN:20093079AAAABG6306

Mumbai, July 30, 2020

Annexure A to the Independent Auditors' Report – 31 March 2020

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 (1)(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 (formerly known as Marine Electricals (India) Private Limited) ("the Company") as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Company and its subsidiary company incorporated in India (the Company and its subsidiary company 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 2020, 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 company 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

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 insofar as it relates to subsidiary company incorporated in India, is based solely on the report of the auditors of the subsidiary company incorporated in India.

For Saini Pati Shah & Co LLP,

(formerly known as S G J & Co.)

Chartered Accountants

Firm's Registration No: 137904W/W100622

Som Nath Saini

Partner

Membership No: 093079

UDIN:20093079AAAABG6306

Mumbai, July 30, 2020

CONSOLIDATED BALANCE SHEET

as at 31 March 2020

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

	Note No.	31 March 2020	31 March 2019
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	2,453.31	2,453.31
Reserves and surplus	4	13,158.40	12,996.73
		15,611.71	15,450.04
Minority interest	5	572.14	609.45
Non-current liabilities			
Long-term borrowings	6	892.62	1,264.72
Deferred tax liabilities (net)	7	3.84	76.16
Other long-term liabilities	8	20.00	20.00
Long-term provisions	9	229.96	246.68
		1,146.42	1,607.56
Current liabilities			
Short-term borrowings	10	3,768.06	4,065.44
Trade payables	11		
- Dues to micro and small enterprises		88.24	-
- Dues to other than micro and small enterprises		14,825.53	13,352.52
Other current liabilities	12	1,908.13	2,085.44
Short-term provisions	13	225.74	145.42
		20,815.70	19,648.82
Total		38,145.97	37,315.87
ASSETS			
Non-current assets			
Property, plant and equipment	14		
Tangible assets		4,405.44	3,757.72
Intangible assets		614.21	524.72
Capital work-in-progress		-	1443.07
Non-current investments	15	483.78	310.47
Long-term loans and advances	16	466.59	382.84
Other non-current assets	17	486.23	24.29
		6,456.25	6,443.11
Current assets			
Inventories	18	7,476.90	5,588.03
Trade receivables	19	17,067.55	19,018.49
Cash and bank balances	20	1,459.64	1,678.91
Short-term loans and advances	21	5,610.58	4,535.64
Other current assets	22	75.05	51.69
		31,689.72	30,872.76
Total		38,145.97	37,315.87
Significant accounting policies	2		
Notes to the consolidated financial statements	3-30		

The accompanying notes 3-30 form an integral part of the standalone financial statements.

As per our report of even date attached.

For **SAINI PATI SHAH & CO LLP**

(Formerly Known as S G J & CO)

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

formerly known as Marine Electricals (India) Private Limited

Vinay Uchil

Chairman and Executive Director

DIN: 01276871

Reesha Ratanapal

Company Secretary and Compliance Officer

Mumbai, 30 July 2020

Marine Electricals (India) Limited

Annual Report 2019-2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31st March 2020

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

	Note No.	31 March 2020	31 March 2019
Income			
Revenue from operations	23	28,870.89	39,984.13
Other income	24	475.62	393.93
		<u>29,346.51</u>	<u>40,378.06</u>
Expenses			
Cost of materials consumed	25	22,361.60	32,219.16
Changes in inventories of finished goods and work-in-progress	26	(1,845.81)	(494.86)
Employee benefits expense	27	3,203.21	2,883.11
Finance costs	28	1,007.53	836.76
Depreciation and amortisation	14	691.51	485.58
Other expenses	29	2,791.87	3,162.10
		<u>28,209.91</u>	<u>39,091.84</u>
Profit before tax		1,136.60	1,286.22
Tax expense:			
- Current tax		297.10	479.54
- Deferred tax charge / (credit)		(72.32)	(108.56)
Profit after tax		<u>911.81</u>	<u>915.24</u>
Add: Share in profit of associates		21.44	-
Less: Minority interest - share of profit / (loss)		27.95	(6.36)
Profit for the year		<u>905.30</u>	<u>921.60</u>
Earning per equity share (in rupees)			
- Basic and diluted earning per equity share of face value of Rs 10 each	30.3	<u>3.69</u>	<u>4.36</u>
Significant accounting policies	2		
Notes to the consolidated financial statements	3-30		

The accompanying notes 3-30 form an integral part of the standalone financial statements.

As per our report of even date attached.

For **SAINI PATI SHAH & CO LLP**
(Formerly Known as S G J & CO)
Chartered Accountants
Firm's Registration No: 137904W/W100622

For and on behalf of the Board of Directors of
Marine Electricals (India) Limited
formerly known as Marine Electricals (India) Private Limited

Som Nath Saini
Partner
Membership No: 093079

Venkatesh Uchil
Managing Director
DIN: 01282671

Vinay Uchil
Chairman and Executive Director
DIN: 01276871

Namita Sethia
Chief Financial Officer

Reesha Ratanapal
Company Secretary and Compliance Officer

Mumbai, 30 July 2020

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March 2020

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

	31 March 2020	31 March 2019
A) Cash flow from operating activities:		
Profit before taxation	1,136.60	1,286.22
Depreciation and amortisation	691.51	485.58
Unrealised exchange (gain) / loss	(157.74)	(42.84)
Loss on sale of property, plant and equipment (net)	17.77	3.73
Advances and sundry balances (written back) / written off	(2.98)	(27.48)
Bad debts written off	134.01	111.89
Provision for doubtful receivables	-	50.21
Finance costs	1,007.53	841.05
Interest income	(164.11)	(95.91)
Adjustment on account of consolidation	(1,066.59)	702.93
Operating profit before working capital changes	1,596.00	3,315.38
Adjustments for changes in working capital:		
(Increase) in inventories	(1,757.55)	(800.77)
Decrease / (Increase) in trade receivables	2,259.23	(659.17)
(Increase) in loans & advances and other assets	(940.54)	(1,930.94)
Increase / (Decrease) in trade payable	1,246.19	(2,976.35)
(Decrease) in liabilities and provisions	(286.14)	(1,495.33)
Cash generated from operations	2,117.19	(4,547.18)
Direct taxes paid (net)	(230.50)	(800.96)
Net cash flows generated from / (used in) operating activities (A)	1,886.69	(5,348.14)
B) Cash flow from investing activities:		
Purchase of property, plant and equipment (including capital work in progress, movement in capital advances and capital creditors)	(315.47)	(804.65)
Gross receipt on sale of property, plant and equipment	262.95	13.16
Movement in margin deposits (net)	(22.94)	686.27
Movement in non-current investments	(57.58)	27.27
Interest received	149.97	128.93
Net cash flows generated from investing activities (B)	16.93	50.98
(C) Cash flow from financing activities:		
Proceeds from / (repayment of) long-term borrowings (net)	(304.72)	1,079.35
Proceeds from / (repayment of) short-term borrowings (net)	(405.60)	38.37
Proceeds from issue of equity shares	-	649.60
Proceeds from receipt of securities premium	-	3,637.76
Payment of IPO expenses	-	(199.50)
Finance costs paid	(987.57)	(833.65)
Net cash flows (used in) / generated from financing activities (C)	(1,697.89)	4,371.93
Net increase / (decrease) in cash and cash equivalents (A+B+C)	205.73	(925.23)
Cash and cash equivalents at the beginning of the year	543.08	1,455.64
Effects of exchange differences on translation of foreign currency cash and cash equivalents	14.01	12.67
Cash and cash equivalent at the end of the year	762.82	543.08

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March 2020

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

	31 March 2020	31 March 2019
Note		
1 Component of cash and cash equivalent (Refer note 19)		
Cash in hand	13.80	13.28
Bank balance		
- in current accounts	385.45	394.76
- EEFC accounts	9.66	67.05
- cash credit accounts	353.91	67.99
	762.82	543.08
2 The above cash flow statement has been prepared under "indirect method" set out in Accounting Standard - 3 on cash flow statements.		

As per our report of even date attached.

For **SAINI PATI SHAH & CO LLP**
(Formerly Known as S G J & CO)
Chartered Accountants
Firm's Registration No: 137904W/W100622

For and on behalf of the Board of Directors of
Marine Electricals (India) Limited
formerly known as Marine Electricals (India) Private Limited

Som Nath Saini
Partner
Membership No: 093079

Venkatesh Uchil
Managing Director
DIN: 01282671

Vinay Uchil
Chairman and Executive Director
DIN: 01276871

Namita Sethia
Chief Financial Officer

Reesha Ratanapal
Company Secretary and Compliance Officer

Mumbai, 30 July 2020

1. Background

Marine Electricals India Limited (“the Company”) was initially incorporated as a private limited company with the name “Marine Electricals (India) Private Limited” on 4th December 2007 under the Companies Act, 1956 by converting a partnership firm with the name “Marine Electricals”. On 1st 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.

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. Significant accounting policies

2.1 Basis of preparation of consolidated financial statements

The accounting policies set out below have been applied consistently to the periods presented in these consolidated financial statements.

The accompanying consolidated financial statements of the Company have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (‘the Act’). The consolidated financial statements are presented in Indian Rupees. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

2.2 Principles of consolidation

- i) The consolidated financial statements (“CFS”) relates to Marine Electricals India Limited (“the Company”) and its subsidiaries, joint ventures and associates (the Company and its subsidiaries, joint ventures and associates together referred to as “the Group”). The consolidated financial statements relate to the Group.
- ii) The consolidated financial statements have been prepared on the following basis:
 - The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21 “Consolidated Financial Statements”.
 - The financial statements of the parent and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions and resultant unrealized profits or losses.
 - In accordance with AS-27, “Financial Reporting of interest in joint venture”, the financial statements of the joint ventures are consolidated using proportionate consolidation method by adding book values of like items of assets, liabilities, income and expenses of joint ventures after fully eliminating intra-group balances and intra-group transactions and resultant unrealized profits or losses to the extent of the Group's proportionate share
 - In accordance with AS 23, “Accounting for investment in associates in Consolidated Financial Statements” the financial statements of associates are consolidated using Equity method.
- iii) Investments other than in subsidiaries, joint ventures and associates are accounted as per AS-13, “Accounting for Investments”.
- iv) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for the like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies, unless for situations where the financial impact of such adjustment in accounting policies is not expected to be significant. Differences in accounting policies have been disclosed separately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

- v) All the foreign subsidiaries, joint ventures and associates of the Company have been identified as non-integral foreign operations in accordance with the requirements of AS-11. The translation of the financial statements of such non-integral foreign operations for incorporation in the consolidated financial statements has been performed by using the following exchange rates:
- All assets and liabilities, both monetary and non-monetary are translated using the closing rate.
 - Revenue items are translated at the respective yearly average rates.
 - The resulting net exchange difference is presented as "Foreign Currency Translation Reserve" under Reserves and Surplus.
 - Contingent liabilities are translated at the closing rate.
- vi) The subsidiaries, joint ventures and associates considered for consolidation together with the country of incorporation, relation and proportion of ownership interest held by the Company is as follows:

Name of the entity	Country of incorporation	Relation	Proportion of ownership interest held by the Company 31 March 2020
Eltech Engineers Madras Private Limited	India	Subsidiary company	70.00%
MEL Power Systems FZC	United Arab Emirates	Subsidiary company	90.00%
STI S.R.L.	Italy	Step down subsidiary (75% held by MEL Power Systems FZC)	67.50%
Technology Ventures Middle East (FZC)	United Arab Emirates	Step down joint venture (50% held by MEL Power Systems FZC) upto 20 October 2019	45.00%
		Step down associate (25% held by MEL Power Systems FZC) w.e.f. 21 October 2019	22.50%
Narhari Engineering Works	India	Partnership firm in which company is partner	80.00%
Automatic Electronic Controls Manufacturing Co.	India	Partnership firm in which company is partner	50.00%

- vii) Minority Interest represents the amount of equity attributable to minority shareholders at the date on which investment in the subsidiary is made and its share of movements in the equity since the date the parent subsidiary relationship comes into existence.
- viii) Minority's share in net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.
- ix) Minority interest's share in net assets of the Group is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- x) The excess of investment in subsidiaries over the share of equity in subsidiaries at the date of making the investment is recognized in consolidated financial statements as Goodwill on consolidation. Goodwill is initially recognized as an asset

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

at cost and is subsequently measured at cost less any accumulated impairment losses. The excess of share of equity of subsidiaries over the cost of acquisition of the respective investment is treated as Capital Reserve. For this purpose, share of equity is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

2.3 *Going concern*

Eltech Engineers Madras Private Limited, a subsidiary company, has incurred a marginal profit of Rs 2.90 lakhs for the year ended 31 March 2020. As at 31 March 2020, its accumulated losses were Rs 287.45 lakhs, the current liabilities were Rs 865.95 lakhs and current assets were Rs 493.66 lakhs. Further, its net worth as at 31 March 2020 was negative Rs 257.45 lakhs. However, the subsidiary company has been in continued operations backed with adequate orders to be executed and support from parent company. The subsidiary company is very positive of overcoming these accumulated losses with the basis of improved business in coming years and also additional funding support from its shareholders and will continue to operate as a going concern and consequently will be in a position to continue in operation for the foreseeable future, to realize its assets and to discharge its liabilities as they fall due for payment in the normal course of business.

Accordingly, the separate financial statements of the subsidiary company have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that may be necessary if it is unable to continue as a going concern.

2.4 *Use of estimates*

The preparation of consolidated financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the consolidated financial statements. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of consolidated financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying consolidated financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.5 *Current/Non-current classification*

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the balance sheet date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services 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.

2.6 Property, plant and equipment (tangible assets) and depreciation

Property, plant and equipment (tangible assets) are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes inward freight, duties, taxes (to the extent not recoverable from tax authorities) and expenses incidental to acquisition and installation up to the time the assets are ready for intended use.

Capital work-in-progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use at the balance sheet date and are carried at cost comprising direct cost, related incidental expenses, other directly attributable costs and borrowing costs.

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if they increase the future benefit from existing assets beyond its previously assessed standard of performance.

For entities other than subsidiaries and joint ventures incorporated outside India i.e. MEL Power Systems FZC, STI S.R.L. and Technology Ventures Middle East (FZC) (upto 20 October 2019), depreciation on property, plant and equipment except leasehold land, is provided under the written down value method in accordance with the useful life prescribed in Schedule II to the Act. In case of subsidiaries, joint ventures and associates 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 is provided on a pro-rata basis i.e. from the date on which asset is ready for use. Depreciation on sale of assets is provided up to the date of sale of the asset.

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

A property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses from disposal / retirement of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss.

Leasehold land is amortised on a straight line basis over the unexpired period of respective lease arrangement. Annual lease rent paid is charged to the consolidated statement of profit and loss.

Leasehold improvements are amortised over the lower of estimated useful life as per Schedule II or intended lease period.

Advance paid for acquisition/ construction of fixed assets which are not ready for their intended use at each balance sheet date are disclosed as advances on capital account.

2.7 Intangible assets and amortisation

Intangible assets are carried at cost of acquisition less accumulated amortisation and impairment loss, if any. For entities other than subsidiaries and joint ventures 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 and joint ventures 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 uestful life (in Years)
Software	3

License are amortised on a straight-line basis over a period of ten years by the Company, which in management opinion represents the period during which economic benefits will be derived from their use.

Intellectual Property Rights are amortised on a straight-line basis over a period of three years as per the agreement by a subsidiary company, which in management opinion represents the period during which economic benefits will be derived from their use.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses from disposal / retirement of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss.

2.8 Impairment of assets

In accordance with Accounting Standard 28 on 'Impairment of assets', the Group assesses at each balance sheet date, whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment loss is recognised in the consolidated statement of profit and loss or against revaluation surplus, where applicable.

If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re-assessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciated historical cost.

2.9 Inventories

Inventories other than scrap materials are carried at lower of cost or net realisable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis.

Inventory of scrap materials have been carried at net realisable value.

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.

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

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

Due allowances are made for defective, obsolete and slow-moving inventory, wherever necessary, based on management estimates and past experiences.

2.10 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and that the revenue can be reliably measured.

Sale of products

Revenue from sale of products is recognized when the property and all significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of products. Sales are accounted net of taxes and trade discounts, if any, unless stated otherwise.

Revenue from support services

Revenue from support services is recognized on rendering of services in accordance with the contractual agreement with the customers and are recognised net of taxes, unless stated otherwise.

Interest income

Interest income is recognized using the time proportion method, based on the amount outstanding and the underlying interest rates.

Rental income

Rental income is recognized on a time proportion method based on the lease agreements.

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.

2.11 Foreign currency transactions

(i) Initial Recognition

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

(ii) Conversion

Monetary items denominated in foreign currencies at the year end are restated at year end rates. 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; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement or on reporting of monetary items at rates different from those at which they were initially recognized are recorded as income or as expenses in the year in which they arise.

2.12 Employee benefits

(a) 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.

(b) 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 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 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.

2.13 Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Non-current investments are stated at cost unless there is any diminution in value, other than temporary, where provision for diminution is made on individual investment basis. Current investments are valued at cost or fair value, whichever is lower. Earning on investments is accounted for on accrual basis.

2.14 Taxes on income

Income tax expense comprises of current tax expense and deferred tax expense or credit.

Current taxes

Provision for current income-tax is recognized based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the tax laws.

Deferred taxes

Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in the subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that the sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

2.15 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets till such assets become operational. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the consolidated statement of profit and loss in the period in which they are incurred. The capitalisation of borrowing cost is suspended when the activities necessary to prepare the qualifying asset are deferred / interrupted for significant period of time.

2.16 Earnings per share

The basic and dilutive earnings per equity share is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares, unless the results would be anti-dilutive.

2.17 Leases**As a lessee**

Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating leases. Lease payments under operating lease are recognised as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

As a lessor

Leases where the Group has sustainability retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the consolidated statement of profit and loss on an accrual basis in accordance with the lease agreement.

2.18 Segment Reporting**Identification of segments**

The Group operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operates.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

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

2.19 Derivative contracts:

Derivative contracts entered into, to hedge foreign currency/price risks on unexecuted firm commitments and highly probable forecast transactions, are recognised in the consolidated financial statements at fair value as on the balance sheet date. The gains or losses arising out of fair valuation of derivative contracts are recognised in the consolidated statement of profit and loss or consolidated balance sheet, as the case may be, after applying the test of hedge effectiveness. The gains or losses are recognised as hedge reserve in the consolidated balance sheet when the hedge is effective and where the hedge is ineffective the same is recognised in the consolidated statement of profit and loss.

The premium or discount on forward contracts is amortised as expense or income over the period of the contract.

Gains and losses on roll over or cancellation of derivative contracts which qualify as effective hedge are recognised in the consolidated statement of profit and loss in the same period in which the hedged item is accounted

2.20 Government Grants and Subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that:

(a) the Group will comply with all the necessary conditions attached to them; and

(b) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the consolidated statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to a specific property, plant and equipment, the same is shown as a deduction from the gross value of the asset concerned in arriving at its book value and accordingly the depreciation is provided on the reduced book value.

2.21 Provisions and contingencies

Provision

Provision is recognized in the balance sheet when the Group has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimation can be made of the amount required to settle the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at each balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

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 arising from claims, litigation, assessment, fines, penalties etc. are disclosed when there is a possible obligation or a present obligation as a result of a past event where it is not probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reasonably estimated. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

31 March 2020

31 March 2019

3. Share Capital

Authorised

3,00,00,000 (Previous year: 2,50,00,000) equity shares of Rs. 10 each

3,000.00

2,500.00

Issued, subscribed and paid-up

2,45,33,050 (Previous year: 2,45,33,050) equity shares of Rs. 10 each, fully paid-up

2,453.31

2,453.31

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:

	31 March 2020		31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of Rs 10 each fully paid-up				
At the beginning of the year	24,533,050	2,453.31	18,037,050	1,803.71
Shares issued during the year	-	-	6,496,000	649.60
At the end of the year	24,533,050	2,453.31	24,533,050	2,453.31

b) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares having a par value of Rs. 10 per share (Previous Year: Rs 10 per share). Accordingly, all equity shares rank equally with regards to dividends and share in the Company's residuals assets. The equity share holders are entitled to receive dividend from time to time. Each holder of equity shares is entitled to one vote per share. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c) Shares held by holding company

	31 March 2020		31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of Rs 10 each fully paid-up				
KDU Enterprises Private Limited	12,681,375	1,268.14	12,681,375	1,268.14

d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	31 March 2020		31 March 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity shares of Rs 10 each fully paid-up				
KDU Enterprises Private Limited	12,681,375	51.69%	12,681,375	51.69%
Mr. Venkatesh K. Uchil	5,354,475	21.83%	5,354,475	21.83%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

	31 March 2020	31 March 2019
4 Reserves and Surplus		
a) Securities premium account		
At the commencement of the year	3,983.54	545.28
Add: Premium on shares issued during the year	-	3,637.76
Less: Share issue expenses	-	(199.50)
At the end of the year	3,983.45	3,983.54
b) General Reserve		
At the commencement of the year	708.10	708.10
Add: Movement during the year	-	-
At the end of the year	708.10	708.10
c) Surplus as per the statement of profit and loss		
At the commencement of the year	7,858.89	6,187.41
Add: Addition / (deletion) on account of opening balance on acquisition of step down joint venture / subsidiary	-	1,997.49
Add: Profit for the year	905.30	921.60
Less: Adjustment in reserves of foreign step down joint venture due to disposal of non-current assets	-	(1,244.60)
Less: Adjustment to reserves on account of conversion of joint venture into associates	(1,028.82)	-
Add / (Less): Adjustment on account of consolidation	27.49	(3.01)
At the end of the year	7,762.86	7,858.89
d) Capital Reserve (net)	77.61	77.61
	77.61	77.61
(e) Foreign currency translation reserve	626.29	368.59
	626.29	368.59
Total Reserves and Surplus	13,158.40	12,996.73
	13,158.40	12,996.73
5. Minority Interest		
Equity share capital	293.04	358.30
Current capital of partners	33.65	33.65
Accumulated minority profits / (loss) upto previous year	217.50	223.86
Minority profit / (loss) for the year	27.95	(6.36)
	572.14	609.45
	572.14	609.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

6 Long-term borrowings

	31 March 2020		31 March 2019	
	Non Current	Current	Non Current	Current
Secured:				
Term loans:				
a) From bank				
(i) Vehicle loan {refer note (a) and (b)}	25.64	20.25	57.87	5.56
(ii) Other term loans {refer note (c) to (e)}	817.22	266.92	1,090.08	316.07
	842.86	287.17	1,147.95	321.63
b) From others				
Vehicle loan {refer note (f) and (g)}	-	8.43	14.24	9.85
	-	8.43	14.24	9.85
Unsecured:				
Term loans:				
(a) From banks				
Other term loans {refer note (h) and (i)}	31.37	52.49	48.06	-
	31.37	52.49	48.06	-
(b) From others				
Other term loans {refer note (h)}	18.39	50.76	54.47	-
	18.39	50.76	54.47	-
	892.62	398.85	1,264.72	331.48

Current maturities of long term borrowings are classified as other current liabilities (Refer note - 12)

Notes:

(a) Indian rupee vehicle loans from ICICI Bank Limited outstanding of Rs 5.32 Lakhs as at 31 March 2020 (Previous year: Rs 5.36 Lakhs) taken by the Company is secured against hypothecation of vehicles is repayable in monthly installments for 60 months. The loans carry interest ranging from 9.00% p.a. to 9.75% p.a. (Previous year: 9.00% p.a. to 11.26% p.a.).

Indian rupee vehicle loan from ICICI Bank Limited outstanding of Rs 34.35 Lakhs as at 31 March 2020 (Previous year: Rs 48.87 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. (Previous year: 8.26% p.a.).

(b) Indian rupee vehicle loan from Yes Bank Limited outstanding of Rs 6.22 Lakhs as at 31 March 2020 (Previous year: Rs 9.20 Lakhs) taken by the Company is secured against hypothecation of the vehicle is repayable in 37 monthly installments. The loan carries an interest of 9.50% p.a. (Previous year: 9.50% p.a.).

(c) Foreign Currency Non-Resident (Bank) "FCNR(B)" term loan from ICICI Bank Limited outstanding of Rs. Nil as at 31 March 2020 (Previous year: USD 15,945 equivalent to Rs 11.15 Lakhs) taken by the Company is primarily 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 loan 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 and also subservient hypothecation charge on current assets i.e. entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movable 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 loan is repayable in 30 monthly installments. The loan carries an interest of LIBOR 3M + 4.05% (Previous year: LIBOR 3M + 4.05%). 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. The tenure of the loan have been completed and the loan is repaid back by the Company during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

Indian rupee term loan from ICICI Bank Limited outstanding of Rs 20.49 Lakhs as at 31 March 2020 (Previous year: Rs 102.45 Lakhs) taken by the Company is primarily secured by charge on all of the Company's fixed assets (Plant and Machinery) funded by the loan. The loan 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, (after providing 1.5 times cover to the primary collateral of FCNR(B) term loan mentioned above) equitable mortgage of commercial property at Plot No.16, Road No. 9, MIDC, Andheri East, Mumbai which is owned by the Company and also subservient hypothecation charge on current assets i.e. entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movable 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 loan is repayable in 13 quarterly installments. The loan carries an interest of I-MCLR 1 Year + Spread of 1.90% p.a. (Previous year: I-MCLR 1 Year + Spread of 1.90% 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.

(d) Indian rupee term loan from Kotak Mahindra Bank Limited outstanding of Rs 1,063.65 Lakhs as at 31 March 2020 (Previous year: Rs 1,288.59 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. (Previous year: 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 DCB Bank Limited outstanding of Rs Nil as at 31 March 2020 (Previous Year: Rs 3.96 Lakhs) taken by Narhari Engineering Works, is primarily secured by hypothecation of machinery purchased from the term loan disbursed. The loan is collaterally secured by hypothecation of entire Plant & Machinery and registered mortgage of property situated at 3/B, Shri Industrial Estate, Near Dhavale Hospital, Boisar Road, Palghar - 401404. The loan is repayable in 24 monthly installments. The loan carries an interest of 3M MCLR + Spread, as applicable (previous year: 3M MCLR + Spread, as applicable). The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of the Company.

(f) Indian rupee vehicle loan from Kotak Mahindra Prime Limited outstanding of Rs 3.23 Lakhs as at 31 March 2020 (Previous year: Rs 10.40 Lakhs) taken by the Company is secured against hypothecation of the vehicle is repayable in 36 monthly installments. The loan carries an interest of 8.50% p.a. (Previous year: 8.50% p.a.).

Indian rupee vehicle loans from Kotak Mahindra Prime Limited outstanding of Rs 3.86 Lakhs as at 31 March 2020 (Previous year: 9.84 Lakhs) taken by Narhari Engineering Works, is secured against hypothecation of vehicle and is repayable in monthly installments for 36 months. The loan carries an interest of 8.49% p.a. (Previous year: 8.49% p.a. to 9.97% p.a.).

(g) Indian rupee vehicle loan from Volkswagen Finance Private Limited outstanding of Rs 1.34 Lakhs as at 31 March 2020 (Previous year: Rs 3.85 Lakhs) taken by the Company is secured against hypothecation of the vehicle is repayable in 36 monthly installments. The loan carries an interest of 8.75% p.a. (Previous year: 8.75% p.a.).

(h) Indian rupee unsecured term loan from ICICI Bank Limited outstanding Rs 50 Lakhs as at 31 March 2020 (Previous year: Rs Nil) taken by the Company. The loan is unsecured and is repayable in 15 monthly installments. The loan carries an interest of 16.50% p.a. (Previous year: Nil).

(i) Indian rupee unsecured term loan from Deutsche Bank outstanding of Rs 33.86 Lakhs as at 31 March 2020 (Previous year: Rs 48.06 Lakhs) taken by Narhari Engineering Works. The loan is repayable in 36 monthly installments. The loan carries an interest of 3 month MCLR + 8.80% (Previous year: 3 month MCLR + 8.80%).

(j) Indian rupee unsecured term loan from Tata Capital Financial Services Limited outstanding Rs 35 Lakhs as at 31 March 2020 (Previous year: Rs Nil) taken by the Company. The loan is unsecured and is repayable in 12 monthly installments. The loan carries an interest of 16.50% p.a. (Previous year: Nil).

Indian rupee unsecured term loan from Tata Capital Financial Services Limited outstanding of Rs 8.52 Lakhs as at 31 March 2020 (Previous year: Rs 17.20 Lakhs) taken by Narhari Engineering Works. The loan is repayable in 24 monthly installments. The loan carries an interest of 18.00% p.a. (Previous year: 18% p.a.).

(k) Indian rupee unsecured term loan from Aditya Birla Capital outstanding of Rs 10.38 Lakhs as at 31 March 2020 (Previous year: Rs 22.02 Lakhs) taken by Narhari Engineering Works. The loan is repayable in 24 monthly installments. The loan carries an interest of 20.01% p.a. (Previous year: 20.01% p.a.).

(l) Interest free Indian rupee unsecured loan from ElectroVast Solutions outstanding of Rs 15.25 Lakhs as at 31 March 2020 (Previous year: Rs 15.25 Lakhs) taken by Eltech Engineers Madras Private Limited, a subsidiary company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

31 March 2020

31 March 2019

7 Deferred tax liabilities (net)

The components of deferred tax balances are as follows:

(A) Deferred tax liability

Arising on account of timing differences in:

Excess of depreciation / amortisation on property, plant and equipment under income tax laws over depreciation / amortisation provided in the books	123.42	202.95
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Deferred tax liability (A)	123.42	202.95
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(B) Deferred tax assets

Provision for gratuity	48.07	55.03
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Provision for compensated absences	14.18	15.99
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Provision for doubtful debts	8.32	-
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Expenses disallowed u/s 43B of the Income-tax Act, 1961	18.88	-
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Share issue expenses allowable u/s 35D of the Income-tax Act, 1961	30.13	55.77
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Deferred tax assets (B)	119.58	126.79
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Deferred tax liabilities - net (A)-(B)	3.84	76.16
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8 Other long-term liabilities

Security deposits	20.00	20.00
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	20.00	20.00
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9 Long-term provisions

Provision for employee benefits (refer note 29.10)

- Gratuity	176.29	204.63
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- Compensated absences	53.67	42.05
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	229.96	246.68
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10 Short-term borrowings

Secured:

Cash credits / bank overdrafts from banks {refer note (a) to (e)}	2,235.45	2,958.52
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Working capital demand loan {refer note (f)}	1,530.46	1,092.57
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Term loan from bank {refer note (g)}	-	8.20
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UnSecured:

Loan from other {refer note (h) and (l)}	2.15	6.15
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	3,768.06	4,065.44
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Notes:

(a) Cash credit facility from Axis Bank Limited outstanding of Rs 48.45 Lakhs as at 31 March 2020 (Previous year: Rs 48.74 Lakhs) taken by the Company carrying interest of 3 month MCLR + 2 bps (Previous year: 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,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

consumable stores, receivables, bills, deposits etc. both present and future of the Company in pari passu with other banks. The facility is collaterally secured by industrial property situated at Plot No. C1, B-71 and C1, B-72, GIDC Industrial Estate, Surat Hazira Road, Ichchpore, Bhatpore, Opp. GAIL Colony, Surat - 394510 and 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 2,117.55 Lakhs as at 31 March 2020 (Previous year: Rs 2,773.00 Lakhs) taken by the Company carrying interest of 3.5% above 1 year MCLR (Previous year: 3% 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: 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 2020 (Previous year: Rs Nil) taken by the Company carrying interest of 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, (after providing 1.5 times cover to the primary collateral of FCNR(B) term loan mentioned above) equitable mortgage of commercial property at Plot No.16, Road No. 9, MIDC, Andheri East, Mumbai which is owned by the Company and is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of KDU Enterprises Private Limited. The Company has a debit balance in cash credit account as on the date of Balance Sheet in both the years (refer note 20).
- (d) Cash credit facility from DCB Bank Limited outstanding of Rs 23.22 Lakhs as at 31 March 2020 (Previous year: Rs 90.37 Lakhs) taken by Narhari Engineering Works, carrying interest of 3M MCLR + Spread, as applicable (previous year: 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 and registered mortgage of property situated at 3/B, Shri Industrial Estate, Near Dhavale Hospital, Boisar Road, Palghar - 401404. The loan is backed by personal guarantee of Mr. Venkatesh Uchil and Mr. Vinay Uchil and corporate guarantee of the Company.
- (e) Overdraft facility from Canara Bank outstanding of Rs. 46.23 Lakhs as at 31 March 2020 (Previous year: Rs 46.41 Lakhs) taken by Eltech Engineers Madras Private Limited, a subsidiary company, carrying interest of 1Y MCLR + 2.80 spread monthly reset. The loan is primarily secured by hypothecation of stocks and book debts arising out of genuine trade transaction. Age of book debts not older than 90 days for arriving DP. The loan is backed by personal guarantee of Mr. Vinay Uchil, Mr. Sriram Krishnamurthi, Mr. Venkatesh Uchil and Mr. T. Upendra Rao. The facility was last renewed on 06.07.2018.
- (f) Foreign currency working capital demand loan from Axis Bank Limited, Dubai outstanding of AED 74.53 Lakhs equivalent to Rs 1,530.46 Lakhs as at 31 March 2020 (Previous year: AED 57.80 Lakhs equivalent to Rs 1,092.57 Lakhs) taken by MEL Power Systems FZC, a subsidiary company, carrying interest of 3M L + 200 bps p.a. is repayable on demand. These are secured by SBLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

from Axis Bank Ltd, India with tenor 15 days more than WC tenor. The Company has primarily created in favour of Axis Bank Ltd, India subservient charge on entire current assets including stock, raw material, semi-finished good, consumable stores, receivables, bills, deposits etc. and moveable fixed assets both present and future of the Company in paripassu with other banks. The Company has placed collateral in favour of Axis Bank Ltd, India an industrial property situated at plot no. C1, B-71 and C1, B-72, GIDC Industrial Estate, Surat Hazira Road, Ichchpore, Opp. GAIL Colony, Surat - 394510 owned by the Company and Land & building at plot no. N-51, 52, 59 and 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.

- (g) Foreign currency vehicle loans from RAK Bank outstanding of Rs Nil as at 31 March 2020 (Previous year: AED 0.11 Lakhs equivalent to Rs 1.99 Lakhs) taken by MEL Power Systems FZC, a subsidiary company, is secured against hypothecation of vehicles and is repayable in 48 to 49 monthly installments. The loans carry an interest of 8.62% p.a. (Previous year: 8.62% p.a.). The tenure of the loan have been completed and the loan is repaid back during the year.

Foreign currency vehicle loan from RAK Bank Limited outstanding of Rs Nil as at 31 March 2020 (Previous year: AED 0.73 Lakhs equivalent to Rs 6.21 Lakhs) taken by Technology Ventures Middle East (FZC) is secured against hypothecation of vehicle and is repayable in 48 monthly installments.

- (h) Interest free indian rupee unsecured loan from Mr. Kiran Navnitrai Shah outstanding of Rs 2.15 Lakhs as at 31 March 2020 (Previous year: Rs 4.21 Lakhs) taken by Narhari Engineering Works, is repayable on demand.
- (l) Interest free indian rupee unsecured loan from Mr. Prakash Navnitrai Shah outstanding of Rs Nil as at 31 March 2020 (Previous year: Rs 1.94 Lakhs) taken by Narhari Engineering Works, is repayable on demand.

	31 March 2020	31 March 2019
11 Trade payables		
- Total outstanding dues to micro and small enterprises	88.24	-
- Total outstanding dues to other than micro and small enterprises	14,825.53	13,352.52
	14,913.77	13,352.52
12 Other current liabilities		
Current maturities of long-term borrowings	398.85	331.48
Interest accrued but not due on borrowings	27.36	7.40
Advance from customers	762.98	1,058.61
Creditors for purchase of property, plant and equipment	70.50	84.85
Employee dues payable	210.90	204.81
Accrual for expenses	181.39	105.19
Statutory dues payable:		
- Tax deducted / collected at source	86.75	47.86
- Goods and service tax	6.11	120.24
- Provident fund	33.30	13.08
- Employee state insurance	2.74	1.99
- Profession tax	1.56	0.22
Commissioning expense payable	-	7.40
Other payables	125.69	102.31
	1,908.13	2,085.44

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

31 March 2020

31 March 2019

13 Short-term provisions

Provision for employee benefits (refer note 30.4)

- Gratuity	14.70	5.28
- Compensated absences	2.69	3.70

Provision for taxation (net of advance tax)	197.97	120.29
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Provision for warranties (refer note below)	10.38	16.15
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	225.74	145.42
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Notes:

A provision is recognised for expected warranty claims and after sales services on sale of products, based on past experience of the level of repairs and returns. The table below gives information about movement in warranty provisions.

Particular	31 March 2020	31 March 2019
At the beginning of the year	16.15	-
Arising during the year	10.38	16.15
Utilized / Reversed during the year	(16.15)	-
At the end of the year	10.38	16.15

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

	31 March 2020	31 March 2019
15 Non-current investments		
Investments (At cost):		
Trade investments: Unquoted		
Investment in associates	152.72	-
Investment in other companies	331.06	310.37
Trade investments: quoted		
Equity shares of Saraswat Co-op Bank Limited	-	0.10
	483.78	310.47
	483.78	310.47
16 Long-term loans and advances <i>(unsecured, considered good)</i>		
To related parties (refer note 30.5)		
Security deposits	336.88	260.00
To others		
Security deposits	45.55	43.03
Loans to others	33.66	34.11
Prepaid expenses	50.50	45.70
	466.59	382.84
	466.59	382.84
17 Other non-current assets		
Margin money deposits due to mature after 12 months of the reporting date	486.23	24.29
	486.23	24.29
	486.23	24.29
18 Inventories <i>(At cost or net realisable value whichever is lower)</i>		
Raw materials	3,044.53	3,000.57
Work-in-progress	4,367.30	2,517.07
Finished goods	59.25	63.67
Store, spares and consumables	5.82	6.72
	7,476.90	5,588.03
	7,476.90	5,588.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

	31 March 2020	31 March 2019
19 Trade receivables		
<i>(unsecured)</i>		
Trade receivables outstanding for a period exceeding six months from the date		
- Considered good	4,013.85	9,891.63
- Considered doubtful	33.05	58.85
	4,046.90	9,950.48
Less: Provision for doubtful receivables	33.05	58.85
	4,013.85	9,891.63
Other receivables		
- Considered good	13,053.70	9,126.86
	17,067.55	19,018.49
20 Cash and bank balances		
<i>Cash and cash equivalents</i>		
Cash on hand	13.80	13.28
Bank balances		
- current accounts	385.45	394.76
- EEFC accounts	9.66	67.05
- cash credit accounts {refer note 10(c)}	353.91	67.99
Other bank balances		
- Margin money deposits due to mature within 12 months of the reporting date	696.82	1,135.83
	1,459.64	1,678.91

Particular	31 March 2020	31 March 2019
Margin money due to mature within 12 months of the reporting date included under 'Other bank balances'	696.82	1,135.83
Margin money due to mature after 12 months of the reporting date included Under 'Other non-current assets' (refer note 17)	486.23	24.29

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

31 March 2020

31 March 2019

21 Short-term loans and advances

(Unsecured, considered good)

To related parties (refer note 30.5)

Advance to suppliers	350.03	340.00
Security deposits	-	7.20

To others

Advance to suppliers	2,065.06	1,855.37
Capital advances	15.75	7.25
Security deposits	28.54	98.90
Loans and advances to staff	125.34	155.43
Balance with government authorities	267.50	27.64
Advance tax and tax deducted at source [net of provision]	141.69	130.61
Prepaid expenses	458.14	236.73
Other loans and advances	2,158.53	1,676.51
	5,610.58	4,535.64

22 Other current assets

(Unsecured, considered good)

Interest accrued on deposits	46.40	32.26
Other receivable	28.65	19.43
	75.05	51.69

23 Revenue from operations

Sale of products

Finished goods:

- Electricals and electronics	21,774.47	23,295.99
- Solar	1,821.72	8,684.89
	23,596.19	31,980.88

Traded goods:

- Electricals and electronics	1,551.88	1,272.31
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Sale of services

- Electricals and electronics	3,481.42	2,395.24
- Solar	218.84	4,311.30
	3,700.26	6,706.54

Other operating revenues

- Duty drawback	22.55	24.40
	28,870.89	39,984.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

	31 March 2020	31 March 2019
24 Other income		
Interest income	164.11	95.91
Rental income	123.18	130.53
Foreign exchange gain (net)	150.60	-
Sundry balances written back	2.98	77.99
Discount received	0.68	-
Insurance claim	4.16	-
Miscellaneous income	23.94	89.50
Commission income	5.97	-
	475.62	393.93
25 Cost of materials consumed		
Inventory of materials at the beginning of the year	3,000.57	2,672.44
Add: Addition on account of opening balance on acquisition of step down joint venture / subsidiary	-	482.96
Add: Purchases	22,405.56	32,064.33
	25,406.13	35,219.73
Less: Inventory of materials at the end of the year	3,044.53	3,000.57
	22,361.60	32,219.16
Breakup of cost of material consumed		
- Electricals and electronics	20,265.19	18,994.01
- Solar	2,096.41	13,225.15
	22,361.60	32,219.16
26 Changes in inventories of finished goods and work-in-progress		
Inventories at the end of the year		
Work-in-progress	4,367.30	2,517.07
Finished goods	59.25	63.67
	4,426.55	2,580.74
Inventories at the beginning of the year		
Work-in-progress	2,517.07	1,984.76
Finished goods	63.67	101.12
	2,580.74	2,085.88
	(1,845.81)	(494.86)
27 Employee benefits expense		
Salary, allowances, wages, bonus and other benefits	2,809.54	2,541.40
Contribution to provident and other fund (Refer note 30.4)	120.33	122.75
Gratuity (Refer note 30.4)	67.92	52.50
Compensated absences (Refer note 30.4)	17.35	22.37
Staff welfare expenses	188.07	144.09
	3,203.21	2,883.11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

	31 March 2020	31 March 2019
28 Finance costs		
Interest expense	651.14	512.30
Interest on delayed payments of taxes	9.23	27.74
Bank charges	318.54	274.32
Other financial charges	28.62	22.40
	1,007.53	836.76
29 Other expenses		
Consumption of store, spares and consumables	1.47	-
Rent	387.25	369.74
Power and fuel	104.74	103.36
Repairs and maintenance		
- plant and machinery	30.57	43.93
- buildings	1.48	6.94
- Others	10.09	2.16
Vehicle running expenses	40.41	33.85
Rates and taxes	11.31	68.05
Insurance	35.60	48.02
Liquidated damages	117.63	84.26
Inspection charges	55.35	99.44
Technical know-how expenses	20.00	60.00
Commissioning expenses	208.81	259.42
Clearing and forwarding expenses	241.04	501.30
Travelling and conveyance	271.42	94.16
Postage and telephone	36.70	46.49
Legal and professional fees	537.44	556.48
Management fees	-	142.05
Payment to auditor's	14.82	11.74
Expenses on corporate social responsibility (refer note 30.2)	4.20	8.50
Director sitting fees	3.60	1.80
Foreign exchange loss (net)	-	17.47
Housekeeping and security charges	69.24	36.20
Printing and stationery	28.47	26.91
Sales promotion and advertisement expenses	141.18	117.77
Provision for doubtful receivables	-	50.21
Bad debts written off	134.01	111.89
Advances and sundry balances written off	-	50.51
Loss on sale of property, plant and equipments (net)	17.77	3.73
Miscellaneous expenses	267.27	205.72
Total	2,791.87	3,162.10

30. Notes to the accounts

30.1 Contingent liabilities and commitments (to the extent not provided for)

a. Contingent liabilities:

Particulars	31 March 2020	31 March 2019
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 794.09 lakhs (Previous year: Rs 794.09 lakhs) towards the counter bank guarantee received from sub-contractors	1,664.88	2,279.18
(ii) Other bank guarantees provided under contractual / legal obligations reduced by an amount of Rs 1,180.45 lakhs (Previous year: Rs 1,180.45 lakhs) towards the counter bank guarantee received from sub-contractors	4,915.33	5,137.41
(iii) Foreign bank guarantees	33.43	-
b. Letter of credit opened in favour of suppliers	816.47	147.04
c. Bills discounted with bank	45.84	261.15
d. Disputed tax liabilities in respect of pending cases before appellate authorities [amount deposited under protest Rs 6.26 lakhs (previous year: Rs 6.26 lakhs)] {refer note (I)}	141.54	237.69

Notes:

i) The various disputed tax litigations are as under:

Particulars	Period to which relates	31 March 2020	31 March 2019
a. Income Tax			
Disallowances / additions made by the income tax department pending before various appellate authorities	AY13-14 to AY 16-17 (Previous year: AY 13-14 to AY 16-17)	31.84	174.75
b. Income Tax (Indian Subsidiary)			
Disallowances / additions made by the income tax department	A.Y. 2006-07 to A.Y. 2011-12 and A.Y. 2018-19	20.40	-
c. Sales Tax / VAT			
Demands raised by Sales tax / VAT department pending before various appellate authorities	FY09-10 and FY 16-17 (Previous year FY 15-16)	71.12	62.94
d. Entry Tax			
Demands raised by Goa entry tax department	FY 12-13 to FY 16-17 (Previous year Nil)	18.18	-
		141.54	237.69

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 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 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 2019-20 based on the present salary structure followed by the Group for its class of employees.

b. Commitments:

Particulars	31 March 2020	31 March 2019
a. Estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	73.75	65.25

30.2 Corporate social responsibility

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013.

Details of expenditure towards Corporate Social Responsibility (CSR) activities:

Particulars	31 March 2020	31 March 2019
a) Gross amount required to be spent by the Company during the year	18.72	14.77
b) Amount spent during the year on:		
i) Construction acquisition of any asset	-	-
ii) On purposes other than (i) above	4.20	8.50

30.3 Earnings per share (EPS)

Particulars	31 March 2020	31 March 2019
a) Profit after tax attributable to equity shareholders – Rs in lakhs	905.30	921.60
b) Basic and diluted earnings per share		
Weighted average number of equity shares during the year	24,533,050	21,115,976
Basic and diluted earnings per share (in rupees) (a/b)	3.69	4.36
Face value of shares (in rupees)	10	10

30.4 Employee benefits - As applicable to the Company

Defined contribution plan

Contribution to Provident funds

The Company makes contributions, determined as specified percentage of employee salaries, in respect of qualifying employees towards provident fund, employee state insurance scheme and labour welfare scheme, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the consolidated statement of profit and loss as they accrue. The amount as an expense towards contribution to provident fund and other fund for the year aggregated to Rs.98.28 lakhs (Previous year Rs. 105.12 lakhs)

Defined benefit plan

Gratuity

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 plan is unfunded.

The Company determines the gratuity liability based on the actuarial valuation using Projected Unit Credit Method as required by Accounting Standard (AS) 15 (Revised) prescribed in the Companies (Accounts) Rules, 2014 issued by the Central Government.

The following table summarizes the position of obligation relating to gratuity plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

i) Changes in present value of the defined benefit obligation

Particulars	31 March 2020	31 March 2019
Obligation as at beginning of the year	157.50	125.60
Current service cost	38.93	30.49
Interest cost	11.97	9.67
Benefits paid	(24.66)	(17.50)
Past service cost	-	27.55 [^]
Actuarial (gain) / loss on obligation	6.36	(18.31)
Obligation as at the end of the year	190.10	157.50

[^] The gratuity obligation for 27 employees with a joining date prior to 31 March 2018 was omitted from the previous year's valuation. This includes the gratuity obligation for 2 directors of Rs 19.25 lakhs. The value of this obligation is reflected as 'Past Service Cost'

ii) Fair value of plan assets

The gratuity scheme of the Company is not funded and therefore disclosures relating to fair value of the plan assets are not applicable.

iii) Amount recognised in the balance sheet

Particulars	31 March 2020	31 March 2019
Present value of defined benefit obligation	190.10	157.50
Fair value of plan assets	-	-
Liability recognised in the Balance Sheet	190.10	157.50

iv) Expenses recognised in the statement of profit and loss

Particulars	31 March 2020	31 March 2019
Current service cost	38.93	30.49
Interest cost	11.97	9.67
Past service cost	-	27.55
Net actuarial (gain) / loss for the year	6.36	(18.31)
Net benefit expenses	57.26	49.40

v) Balance sheet reconciliation

Particulars	31 March 2020	31 March 2019
Net liability as at the beginning of the year	157.50	125.60
Expenses as above	57.26	49.40
Benefit paid directly by the employer	(24.66)	(17.50)
Amount recognized in the balance sheet (Net liability)	190.10	157.50

vi) Actuarial assumptions

Particulars	31 March 2020	31 March 2019
Discount rate	6.60% p.a.	7.60% p.a.
Salary growth rate	8.00% p.a.	8.00% p.a.
Withdrawal / Attrition rate	2.00% p.a.	2.00% p.a.
Expected weighted average remaining working lives	13 years	13 years
Mortality Table	IALM 2012-2014 (Ult.)	IALM 2012-2014 (Ult.)

vii) Experience adjustment

Particulars	31 March 2020	31 March 2019
Defined benefit obligation	190.10	157.50
(Surplus)/ Deficit	190.10	157.50
Exp. Adj. on plan liabilities: (gain) / loss	(14.01)	(19.94)
Exp. Adj. on plan assets: gain / (loss)	NA	NA

- Gratuity is payable to all eligible employees of the Company on superannuation, death, and permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972 (as amended).
- The discount rate is based on the prevailing market yields on Indian Government securities as at the balance sheet date for the projected term of the obligations.
- The estimates of future salary growth considered in the actuarial valuation take into account an employee's seniority, promotion and other factors as well as inflation.
- Assumptions regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to mortality.

Other long-term employee benefit

The obligation of compensated absences (non-funded) for the year 31 March 2020 amounting to Rs. 17.35 lakhs (Previous year Rs. 9.61 lakhs) has been recognized in the consolidated statement of profit and loss, based on actuarial valuation carried out using Projected Unit Credit Method.

30.5 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
WIN Marine Consultancy Services

(b) Enterprises in which directors have significant influence

KDU Marine Equipment Trading and Maintenance LLC
KDU Worldwide Middle East Marine Services LLC
KDU Worldwide Technical Services FZC
KDU Worldwide Technical Services Ghana Private Limited
KDU Worldwide Technical Services Private Limited, Srilanka
KDU Worldwide Technical Services Nigeria Private Limited
Mcgeoch Marine Electricals Private Limited
Switch N Control Gears Private Limited
Voks Ship Management Private Limited
WIN Marine Engineering Services

(c) Key managerial personnel and relatives

Mr. Vinay Uchil, Chairman and Executive Director
Mr. Venkatesh Uchil, Managing Director
Mr. Rohit Shetty, Chief Financial Officer upto 19 October 2019
Mr. Aditya Desai, Chief Financial Officer w.e.f. 14 November 2019
Ms. Vedshri Chaudhari, Company Secretary upto 24 June 2019
Ms. Reesha Ratanpal, Company Secretary w.e.f. 20 July 2019
Ms. Rashmi Uchil, Wife of Mr. Vinay Uchil
Ms. Reshma Uchil, Wife of Mr. Venkatesh Uchil

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

B) Related party transactions during the year

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
a) Rent expense		
KDU Enterprises Private Limited	230.10	212.40
Philins Industrial Corporation	31.86	28.32
Ms. Rashmi Uchil	7.20	7.20
b) Rent income		
DKM Precision Engineers	30.09	44.25
c) Interest expense		
KDU Enterprises Private Limited	-	1.38
d) Consultancy fees		
Ms. Rashmi Uchil	7.20	7.20
e) Purchases		
KDU Enterprises Private Limited	251.95	241.77
KDU Marine Equipment Trading and Maintenance LLC	5.78	22.65
KDU Worldwide Technical Services FZC	-	14.40
Mcgeoch Marine Electricals Private Limited	9.12	44.74
Philins Industrial Corporation	7.62	11.08
Switch N Control Gears Private Limited	66.97	171.86
f) Sales		
Mcgeoch Marine Electricals Private Limited	68.71	0.38
KDU Enterprises Private Limited	6.43	14.34
KDU Marine Equipment Trading and Maintenance LLC	19.43	128.27
g) Sale of property, plant and equipments		
KDU Enterprises Private Limited	60.15	-
h) Loan repaid		
KDU Enterprises Private Limited	-	38.00
i) Advance paid to suppliers and received back		
KDU Enterprises Private Limited	225.08	145.00
Mcgeoch Marine Electricals Private Limited	-	176.00
Philins Industrial Corporation	5.00	45.00
Switch N Control Gears Private Limited	-	195.11
j) Advance received from customers and repaid back		
KDU Enterprises Private Limited	-	157.00
Mcgeoch Marine Electricals Private Limited	5.15	-
k) Salary		
Ms. Reshma Uchil	4.80	-
l) Managerial remuneration		
Mr. Venkatesh Uchil	48.00	48.00
Mr. Vinay Uchil	48.00	48.00
Mr. Rohit Shetty	13.23	16.00
Mr. Aditya Desai	17.39	-
Ms. Vedshri Chaudhari	0.67	1.00
Ms. Reesha Ratanpal	2.54	-
Mr. Sudhir Gupta	-	0.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

Note:

Amounts of transactions during the year pertaining to statement of profit and loss are gross of taxes, wherever applicable.

C) Outstanding balances as at year end

Particulars	31 March 2020	31 March 2019
a) Trade receivables		
DKM Precision Engineers	47.16	35.45
KDU Enterprises Private Limited	54.87	14.34
KDU Marine Equipment Trading and Maintenance LLC	126.25	170.41
KDU Worldwide Technical Services FZC	-	4.07
KDU Worldwide Technical Services Ghana Private Limited	52.38	47.76
WIN Marine Engineering Services	-	17.96
Mcgeoch Marine Electricals Private Limited	25.97	-
b) Advance to suppliers		
DKM Precision Engineers	300.00	300.00
Mcgeoch Marine Electricals Private Limited	19.00	14.00
Philins Industrial Corporation	31.03	26.00
c) Trade payables		
KDU Marine Equipment Trading and Maintenance LLC	8.94	2.63
KDU Worldwide Technical Services FZC	15.34	14.21
Switch N Control Gears Private Limited	0.28	-
d) Security deposits receivables		
KDU Enterprises Private Limited	281.68	240.00
Philins Industrial Corporation	48.00	20.00
Ms. Rashmi Uchil	7.20	7.20
e) Managerial remuneration payable		
Mr. Venkatesh Uchil	11.00	-
Mr. Vinay Uchil	10.48	-
f) Rent payable		
Ms. Rashmi Uchil	0.54	-

30.6 Segment reporting

The Company has identified business segment as its primary reporting segment and geographical segment as its secondary segment.

(i) Primary segment information

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 primary reportable business segments comprising of:

- Electricals and Electronics
- Solar

Particulars	31 March 2020	31 March 2019
A. Revenue		
Segment revenue		
(a) Electricals and Electronics	26,830.33	26,987.94
(b) Solar	2,040.56	12,996.19
Total	28,870.89	39,984.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

Particulars	31 March 2020	31 March 2019
B. Results		
Segment results		
(a) Electricals and Electronics	2,211.18	2,326.14
(b) Solar	(519.20)	(577.52)
Total	1,691.98	1,748.62
Less: Finance costs	1,007.53	836.76
Add: Other unallocable income net of unallocable expenses	452.15	374.36
Profit before tax	1,136.60	1,286.22
Tax expense	224.78	370.98
Profit after tax	911.81	915.24
C. Other information		
Segment assets		
(a) Electricals and Electronics	32,293.79	30,062.43
(b) Solar	5,852.18	7,253.44
Segment liabilities		
(a) Electricals and Electronics	17,221.62	15,400.50
(b) Solar	3,594.08	4,248.32
Capital employed (Segment asset – Segment liabilities)		
(a) Electricals and Electronics	15,072.17	14,661.93
(b) Solar	2,258.10	3,005.12
Depreciation and amortisation		
(a) Electricals and Electronics	611.72	411.44
(b) Solar	79.79	74.14
Capital expenditure		
(a) Electricals and Electronics	1,711.60	386.32
(b) Solar	-	460.63

(ii) Secondary segment information

Geographical segment will be the secondary segment for the purpose of AS-17 (Segment reporting). All the assets of the Group are classified as assets in India and assets in abroad for the purpose of segmental information of secondary geographical segment.

Particulars	2020			2019		
	India	Abroad	Total	India	Abroad	Total
Revenue	22,241.72	6,629.16	28,870.89	33,914.58	6,069.55	39,984.13
Carrying amount of assets	28,876.83	9,269.14	38,145.97	28,187.38	9,128.49	37,315.87
Capital expenditure (including intangible assets and capital work in progress)	1,659.52	52.08	1,711.60	915.71	12.31	928.02

30.7 Lease

- The Group has taken various residential/commercial premises under operating leases arrangements. These lease arrangements are normally renewed on expiry, wherever required. During the year, an amount of Rs. 387.25 lakhs (Previous year: Rs 369.74 lakhs) was recognised as an expense in the consolidated statement of profit and loss in respect of operating leases.
- STI S.R.L., a step down subsidiary, has a finance lease contract acquired following its takeover due to the merger with Appignano Energy Srl concerning the photovoltaic plants built in the municipality of Appignano (AP); on 22.05.2013 with the MPS leasing expiring on 22.05.2028 for a value of € 566,968 for a total of 180 monthly installments of € 3,725.84.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

30.8 Unhedged foreign currency exposure

Foreign currency exposures not hedged by derivative instruments are as follows:

Particulars	Foreign currency	Amount in Foreign currency 2020	Amount equivalent in Rs Lakhs 2020	Amount in Foreign currency 2019	Amount equivalent in Rs Lakhs 2019
Foreign currency receivables					
- representing advances	USD	9,86,905	740.67	8,45,405	500.89
	EURO	32,689	26.85	19,223	14.84
- representing trade receivables	USD	5,33,701	400.54	5,72,032	391.44
	EURO	91,194	74.91	68,980	52.63
Foreign currency payable					
- representing trade payable	AEM	9,078	1.91	4,750	0.92
	USD	4,76,341	361.54	1,730,164	1,209.90
	EURO	3,92,855	331.54	200,800	158.67
	NOK	-	-	91,785	7.48
- representing advances	USD	80,704	61.25	-	-
	EURO	6,216	5.24	-	-
Foreign Currency Non-Resident (Bank) "FCNR(B)" Loan	USD	-	-	15,945	11.15
Foreign currency notes	EURO	202	0.17	364	0.29
	USD	28	0.02	581	0.41

30.9 In the consolidated financial statements, the amounts of Eltech Engineers Madras Private Limited, MEL Power Systems FZC and Narhari Engineering Works have been incorporated based on their audited separate financial statements / financial information for the financial year ended 31 March 2020, the amounts of Automatic Electronic Controls Manufacturing Co. have been incorporated based on its unaudited separate financial statements / financial information for the financial year ended 31 March 2020, the amounts of Technology Ventures Middle East (FZC) have been incorporated based on its audited separate financial statements / financial information for the calendar year ended on 31 December 2019 and the amounts of STI S.R.L. have been incorporated based on its unaudited separate financial statements / financial information for the calendar year ended on 31 December 2019. There are no significant events or transactions that have occurred between 1 January 2020 till 31 March 2020 which require any adjustments in consolidated financial statements.

30.10 In case of subsidiaries and joint ventures 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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

30.11 Additional information to be given as required under Schedule III to the Companies Act 2013, of the subsidiaries and joint ventures consolidated is as follows:

Name of the entities	Net Assets i.e. total assets minus total liabilities		Share in profit / (loss)	
	As% of consolidated net assets	Amount	As% of consolidated profit and loss	Amount
For the year ended	31 March 2020		31 March 2020	
<u>Parent</u>				
Marine Electricals India Limited	80.64%	13,050.89	70.45%	637.82
<u>Subsidiaries and joint ventures</u>				
Eltech Engineers Madras Pvt. Ltd.	(1.59%)	(257.45)	0.22%	2.03
MEL Power Systems FZC	16.07%	2,601.42	7.33%	66.32
STI S.R.L.	8.89%	1,438.37	0.81%	7.29
Technology Ventures Middle East (FZC)	-	-	17.53%	158.74
Narhari Engineering Works	8.81%	1,426.22	7.16%	64.82
Automatic Electronic India Controls Manufacturing Co.	0.02%	3.59	0.01%	0.08
Minority Interest	3.54%	572.14	3.09%	27.95
Less: Adjustments	(16.38%)	(2,651.33)	(6.60%)	(59.75)
Total	100.00%	16,183.85	100.00%	905.30

Name of the entities	Net Assets i.e. total assets minus total liabilities		Share in profit / (loss)	
	As% of consolidated net assets	Amount	As% of consolidated profit and loss	Amount
For the year ended	31 March 2019		31 March 2019	
<u>Parent</u>				
Marine Electricals India Limited	77.29%	12,413.08	84.39%	777.72
<u>Subsidiaries and joint ventures</u>				
Eltech Engineers Madras Pvt. Ltd.	(1.62%)	(260.35)	(11.42%)	(105.25)
MEL Power Systems FZC	14.52%	2,331.94	13.89%	128.03
STI S.R.L.	8.33%	1,338.02	1.09%	10.05
Technology Ventures Middle East (FZC)	5.67%	910.51	12.03%	110.83
Narhari Engineering Works	8.38%	1,345.20	4.96%	45.74
Automatic Electronic India Controls Manufacturing Co.	0.03%	4.96	0.00%	(0.02)
Minority Interest	3.80%	609.45	0.69%	6.36
Less: Adjustments	(16.40%)	(2,633.32)	(5.63%)	(51.86)
Total	100.00%	16,059.49	100.00%	921.60

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

30.12 The “Short-term loans and advances” includes an advance to a supplier in China of USD 8,00,000 equivalent to Rs 600.40 lakhs as at 31 March 2020 (Previous year: USD 8,00,000 equivalent to Rs 559.44 lakhs) advanced by the Company in FY 17-18 for procurement of solar PV modules. The Company has initiated arbitration proceedings against the supplier in China 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 continues to carry the said advance as unsecured and considered good.

30.13 Estimation uncertainty relating to the global health pandemic on COVID-19

The Company’s operations were shut down completely in line with the Government directives w.e.f. 25 March 2020 due to Covid-19 pandemic. 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 initial assessment, believes that there is no significant impact on the financial statements of the Company, as at and for the year ended 31 March 2020. However, the impact assessment of COVID-19 is an on-going process given the uncertainties associated with its nature and duration. Given the uncertainty because of COVID-19, the final impact on the Company’s operations may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes resulting from the future economic conditions and future uncertainty, if any.

30.14 Previous year’s figures

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

As per our report of the even date attached.

For **SAINI PATI SHAH & CO LLP**
(Formerly Known as S G J & CO)
Chartered Accountants
Firm’s Registration No: 137904W/W100622

For and on behalf of the Board of Directors of
Marine Electricals (India) Limited
formerly known as Marine Electricals (India) Private Limited

Som Nath Saini
Partner
Membership No: 093079

Venkatesh Uchil
Managing Director
DIN: 01282671

Vinay Uchil
Chairman and Executive Director
DIN: 01276871

Namita Sethia
Chief Financial Officer

Reesha Ratanapal
Company Secretary and Compliance Officer

Mumbai, 30 July 2020



CIN : L31907MH2007PLC176443

B/1, Udyog Sadan No. 3, MIDC,

Andheri (E), Mumbai - 400 093.

Email ID : cs@marineelectricals.com

Website : www.marineelectricals.com

Tel. No. : 91-22-4033 4300