

# ANNUAL REPORT 2020-21



CMI Limited



MV/HV Power Cables

Railway Cables

Aerial Bunched Cables

LV Power & Control Cables

Rubber Cables

Special Cable

Thermocouple Cables

EHV Power Cable

Bare Conductors

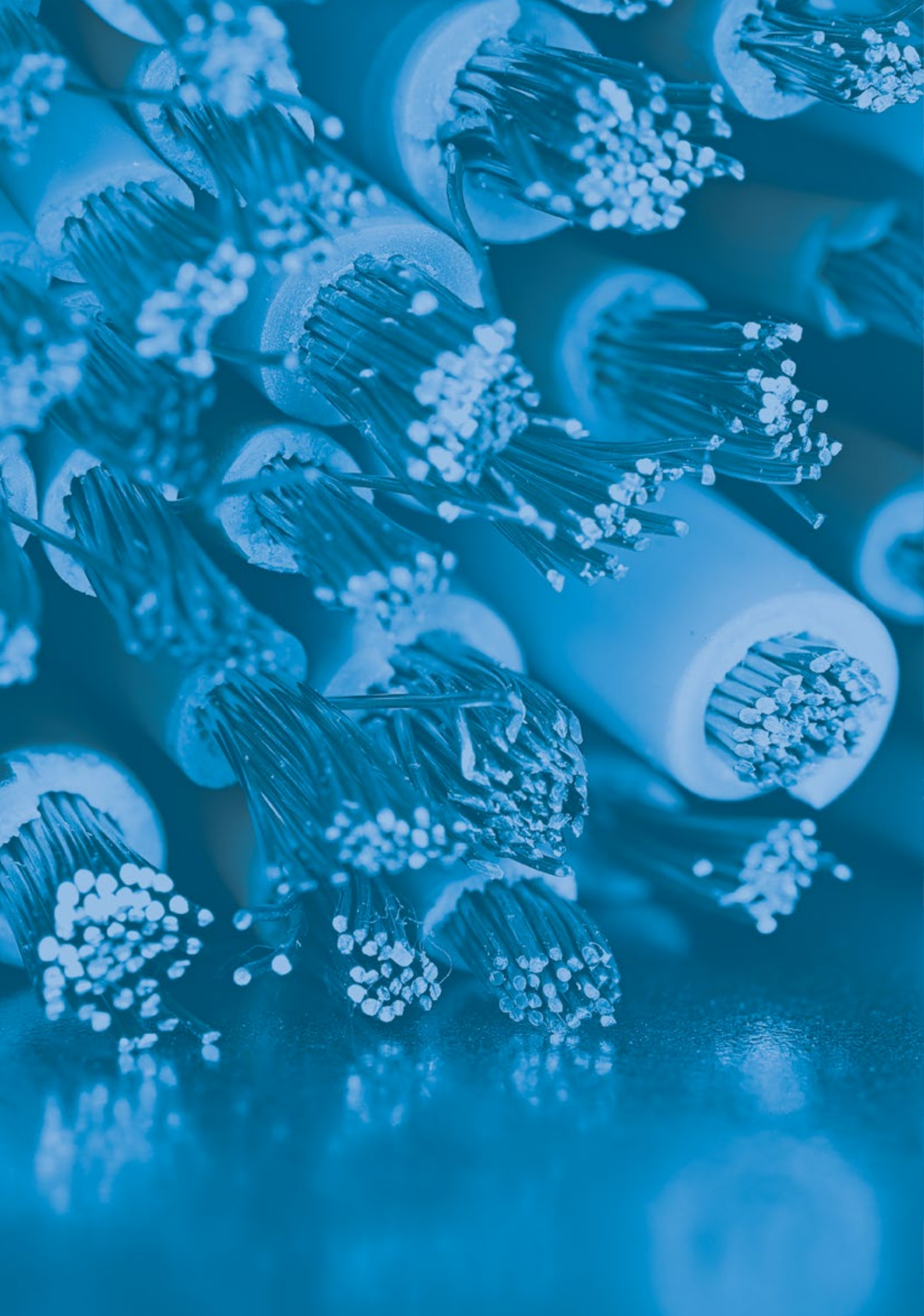
Fire Survival/Lszh Cables

Building Wires

Instrumentation Cables

CABLES THAT EMPOWER





# Table of CONTENTS

Our Mission & Vision	01
Our Values	02
Chairman's Speech	04
Our Company	07
Management Discussion & Analysis	19
Sectors that We Serve	23
Performance of the Company	29
Director's Report	32
Corporate Governance Report	52
Financial Statements & Notes	76
Notice of AGM	127

The background features three large, overlapping blue arcs that sweep across the page. At the end of each arc is a stylized hand icon, composed of several parallel lines representing fingers. In the bottom right corner, there is a target icon with an arrow hitting the bullseye.

OUR  
**MISSION &  
VISION**

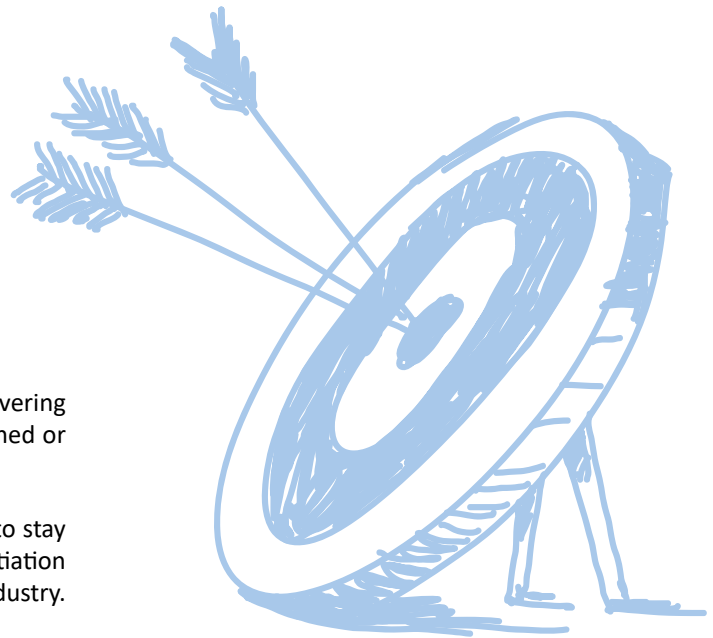
## OUR MISSION



*Sustainable growth through innovation*

Our mission is to achieve sustainable growth by delivering high-quality, Innovative products that meet new, undefined or existing market needs in unique ways.

We achieve this by fostering innovation which helps us to stay ahead in the competition, provide meaningful differentiation and gain increased recognition in the wires and cables industry.



## OUR VISION

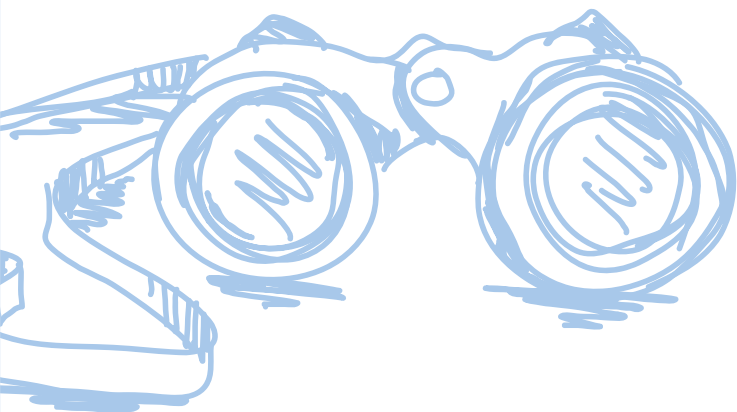


*To maximize shareholders value through leadership position in the global specialty cable space*

Our vision is to become one of the leading cable manufacturers by utilizing state-of-the-art manufacturing facilities and best-in-class resource pool.

We aim to be the first choice amongst significant players in the specialty cable manufacturing industry by delivering products which exceed customers's expectations.

Our priority is to maximize shareholders value through product development, improved efficiency and open culture within the Company.





# OUR **Values**





### INTEGRITY

We shall be honest in all our business dealings and always follow ethical business practices



### ACCOUNTABILITY

We shall be honest in all our business dealings and always follow ethical business practices. We shall take full responsibility for our decisions which shall always be taken in the best interest of the company, its employees and stakeholders



### CUSTOMER SATISFACTION

We shall strive to give our esteemed customers total satisfaction with products that meet the highest international quality standards



### EXCELLENCE

We are committed to excel in reach of our operations through 100% teamwork, commitment and efficiency



### RESPECT

We are committed to treat all our employees, customers and stakeholders with dignity and respect



### SAFETY

We are dedicated to follow the most stringent safety and security standards by following the laid down safety rules and guidelines both in letter and in spirit





CHAIRMAN'S  
**SPEECH**







*Company is continuously striving for excellence in a highly volatile market.*

*The focus is on restructuring in all areas of businesses whether it is sales, R&D, product innovation or investment.*



*Dear fellow Shareholders,*

We wish for safety and good health of our Shareholders amidst this Pandemic of COVID – 19.

Prior to onset of COVID – 19, the global economy was grappling with a VUCA (Volatile, Uncertain, Complex & Ambiguity) environment. The fiscal 2020-21 posed a challenging operating environment for the Indian economy as well. Factors such as liquidity constraints, muted investments, weak consumption and volatile commodity prices were consistent deterrents on the path of growth.

COVID-19 pandemic has now changed the economic foundations/ principles of world trade. It has further brought in an environment of unprecedented social, economic, and business response. It has fundamentally changed the way we live, work, and has made ‘Work from Home’, ‘Social distancing’, and ‘Higher technology adoption’ as the ‘new normal’.

CMI Limited, have effectively adapted to the ‘work from home’ culture with little or no impact on its operations.

As a responsible corporate entity, CMI undertook a series of measures to ensure safety and well-being of our employees, and to support dealers & distributors. With the announcement of country wide lockdown by Honourable Prime Minister of India, the Company underwent complete lockdown. During this period, we also focussed on conserving and augmenting our liquidity position through judicious cost management and deferring non-critical spends.

Now, we have resumed operations as per Government Directives and Orders.

We have taken necessary initiatives to support our esteemed Associates and your Company is back of growth track. While the Company management does foresee certain challenges in its supply chain activities due to continued impact of COVID-19 and volatility in commodity prices, this may not have a significant impact on its operations in the coming season.

Amidst all the above, it gives me pleasure to present to you the CMI Limited Annual Report 2020-21 as your



Company continued to play on its strengths and posted a stable financial performance.

At present, your Company is continuously striving for excellence in a highly volatile market. The focus is on restructuring in all areas of businesses whether it is sales, R&D, product innovation or investment. Your Company is taking concrete and effective steps to consolidate its position in the Cable industry. The underlying philosophy of your Company is to grow in a manner that is sustainable for its stakeholders, employees and the community at large.

In our last four years of turnaround, after we acquired General Cables Energy India Pvt. Ltd., we have taken decisive actions to refocus our business and customers, making ourselves more relevant and more competitive than ever before.

## PERFORMANCE REVIEW

FY 2020, fell short of expectations to Rs. 201.70 Crores as compared to Rs. 498.29 Crores in FY19. Reasons for a tapered performance may be attributed to COVID-19 crisis, Weakening macroeconomic environment, Sectoral liquidity tightening and slowdown in infrastructure segment impacted the demand for cables.

To overcome all these hurdles soon the company is in the process of looking out for different funding options. The Company has also deployed several market-conducive strategies to expand its domestic business and foster strong growth in exports. The company is also in the process of adopting various organic and inorganic growth

strategies such as Joint ventures, Partnerships, Mergers and new product launches

## FUTURE GROWTH AGENDA

The Indian markets have also seen a decent recovery in the last one month, largely in response to the rebound in the global counterparts and taking note of the measures announced by the government and RBI to fight the COVID-19 pandemic. However, we feel it's a breather after a sharp plunge and expect the volatility to remain high until the pandemic situation stabilizes and lockdown is completely lifted. The Covid-19 pandemic will have an extended impact, this means opportunities as well as challenges. The Company is in the process of recalibrating its growth strategy to address these challenges and to make use of the new opportunities.

On behalf of the Board and the Management, we seek support from each and every stakeholder to bring prosperity to one and all and before I conclude, I wish to thank all my Board Members, regulatory authorities, our management, employees and the stakeholder fraternity for their guidance and continued support. I am confident that your Company will successfully cross every hurdle in the years to come by leveraging its strengths and by tapping-in on new opportunities.

Thank you once again for the trust and confidence reposed on CMI.

Sd/-

**Amit Jain**

Chairman cum Managing Director





OUR  
**COMPANY**





## SENIOR MANAGEMENT PERSONNEL OF CMI LIMITED



Name	Designation
Munishvar Gaur	Group President
Pratyaksh Agarwal	General Manager
Pawan Kumar Gupta	General Manager Production
Rishi Ganeriwala	DGM Technical
Aatif Rasheed Khan	DGM Marketing



## GENERAL CORPORATE INFORMATION

<b>Board of Directors</b>	Mr. Amit Jain, Chairman cum Managing Director
	Mr. Manoj Bishan Mittal, Non- Executive Independent Director
	Ms. Charu Jain, Non-Executive Independent Director
	Mr. Kunal Singhal, Non-Executive Non-Independent Director
	Mr. Servagaya Jain, Non- Executive Independent Director (w.e.f. 26.08.2020)
	Mr. Pyare Lal Khanna, Non-Executive Non-Independent Director(w.e.f. 30.12.2020)
	Mr. Vijay Kumar Gupta, Whole-time Director (till 05.10.2020)
<b>Chief Financial Officer</b>	Mr. Anil Arora, Non- Executive Independent Director (w.e.f. 30.12.2019 till 26.08.2020)
	Mr. Raj Kumar (w.e.f. 17.07.2020) Mr. Rattan Lal Aggarwal (till 01.04.2020)
<b>Company Secretary and Compliance Officer</b>	Mr. Subodh Kumar Barnwal
<b>Statutory Auditors</b>	M/s. Krishna Neeraj & Associates, Chartered Accountants
<b>Internal auditor of the Company</b>	M/s. Priyanka Singh & Associates
<b>Cost Auditor</b>	M/s. Ajay Kumar Singh & Co.
<b>Secretarial auditor of the Company</b>	M/s Pooja Anand & Associates, Practicing Company Secretaries
<b>Audit Committee</b>	Mr. Manoj Bishan Mittal - Chairman Ms. Charu Jain - Member Mr. Servagaya Jain - Member
<b>Nomination and Remuneration Committee</b>	Mr. Manoj Bishan Mittal - Chairman Ms. Charu Jain - Member Mr. Servagaya Jain - Member
<b>Stakeholder Relationship Committee</b>	Mr. Manoj Bishan Mittal - Chairman Ms. Charu Jain - Member Mr. Servagaya Jain - Member
<b>Corporate Social Responsibility Committee</b>	Mr. Manoj Bishan Mittal - Chairman Ms. Charu Jain - Member Mr. Servagaya Jain - Member
<b>Investor Grievance Service</b>	Mr. Subodh Kumar Barnwal Company Secretary & Compliance Office PD-II, Jhilmil Metro Station, Jhilmil Industrial Area, Delhi-110095 Tel: 011-49570000, E-mail: info@cmilimited.in and cmics@cmilimited.in
<b>Registrar &amp; Share transfer Agent</b>	BEETAL Financial & Computer Services Pvt Ltd. Address: BEETAL HOUSE, 3rd Floor, 99, Madangir, behind LSC, New Delhi – 110062 Tel: 011-29961281-83/26051061/26051064, Fax : 011-29961284, Email: beetalrta@gmail.com
<b>Corporate Website</b>	www.cmilimited.in
<b>Address</b>	<b>Registered office:</b> PD-II, Jhilmil Metro Station, Jhilmil Industrial Area, Delhi-110095 <b>Faridabad plant:</b> Plot No. 71 and 82, Sector-6, Faridabad-121006 (Haryana) <b>Baddi plant:</b> Village : Bhatauli Khurd, Baddi, Tehsil: Nalagarh, District: Solan, (Himachal Pradesh)-173205



## APPROVAL FOR BADDI PLANT

### LIST OF APPROVAL WITH OPERATIONAL PERFORMANCE

Sl.No.	Approving Authority	Types of Cables
1	Steel Authority of India Ltd, Bokaro	Conductors: 132 kV ACSR Conductors
		Control Cable: General purpose PVC cable conforming to IS: 694 & 1554 (P-I)
		HT Cable- HT, XLPE Insulated cable conforming to IS: 7098 (P-I)
		Power Cable: PVC Al. power cable, Armoured/ Unarmoured, IS: 1554 (Part 1)
		Power Cable: PVC Copper power cable, Armoured/ Unarmoured, IS: 1554 (Part 1)
		Control Cable IS: 7098 P-1- 1998
2	North Bihar Power Distribution corporation Ltd	LT Power Cable
		HT Power Cable upto 33kV
		Control Cable
3	Jaipur Vidyut Vitran Nigam Ltd. (JVNL)	Cables
		Conductors
4	HSIIDC	Overhead Conductors
		HT Cables
		LT Power & Control Cables
		Flexibles Wires
5	National Building Construction Corporation (NBCC)	HT Cables upto 33 kV
		LT Power Cable
		LT Control Cables
		Wires & Flexibles
		Fire Survival cables
		Telephone Cable
6	BHEL-PEM	HT XLPE Power Cables
		LT XLPE Power cables
		LT PVC Power Cables
		LT HR PVC Power Cables
		PVC Wires
		LT PVC Control cable
		LT HR PVC Control cables
7	Gujarat State Fertilizers and Chemicals Ltd(GSFC)	HT Cables
		LT Power/ Control Cables
		Flexible Wires
8	Haryana Vidyut Prasaran Nigam Ltd. (HVPNL)	11 Kv 1Cx630 Sqmm
		11 Kv 3Cx400 Sqmm
		11 Kv 3Cx300 Sqmm
		11 Kv 1Cx185 Sqmm
		11 Kv 3Cx185Sqmm
		11 Kv 3Cx 95Sqmm
		11 Kv 3Cx 50Sqmm
		4C x 4 Sqmm UnArmoured Copper Control Cable
		3C x 2.5 Sqmm UnArmoured Copper Control Cable
		24C x 2.5 Sqmm UnArmoured Copper Control Cable
		2C x 2.5 Sqmm Armoured Copper Control Cable





Sl.No.	Approving Authority	Types of Cables
		7C x 2.5 Sqmm Armoured Copper Control Cable
		10C x 2.5 Sqmm Armoured Copper Control Cable
		16C x 2.5 Sqmm Armoured Copper Control Cable
		19C x 4 Sqmm Armoured Copper Control Cable
		61C x 2.5 Sqmm Armoured Copper Control Cable
9	BHEL-EDN (Bangalore)	XLPE Cables
10	PWD-Lucknow	EHV Cables upto 66 KV
		HT XLPE Cables upto 33Kv
		LT XLPE Power/Control Cables
11	SAIL Durgapur	Power & Control Cables
		PVC Insulated Cables
		LT XLPE Cables
		Instrumentation Cables
12	Jharkhand Bijli Vitran Nigam Limited (JBVNL)	LT AB Cable (1Cx16+1Cx16+1Cx25 Sqmm)
		LT AB Cable (3Cx50+1Cx16+1Cx35 Sqmm)
		LT PVC Armoured Control Cable (2Cx2.5)
		LT PVC Armoured Control Cable (6Cx2.5)
		LT PVC Armoured Control Cable (5Cx2.5)
		LT PVC Armoured Control Cable (10Cx2.5)
		LT PVC Armoured Power Cable (2Cx16)
		LT PVC Armoured Power Cable (3.5Cx35)
		LT PVC Armoured Power Cable (3.5Cx70)
		LT PVC Armoured Power Cable (3.5Cx150)
		LT XLPE Unarmoured Power Cable (1Cx50)
		LT XLPE Unarmoured Power Cable (1Cx95)
		HT XLPE Unarmoured Cable (11 KV 1Cx300)
		HT XLPE Armoured Cable (11 KV 3Cx240)
		HT XLPE Armoured Cable (11 KV 3Cx185)
		HT XLPE Armoured Cable (11 KV 3Cx70)
13	Telangana State Power Generation Corporation Ltd.	LT XLPE Power Cables
		LT XLPE Fire Survival Cables
14	Telangana State Power Generation Corporation Ltd. (TSGENCO)	HT cables
		LT Power Cables
		Control Cables
15	Delhi Metro Rail Corporation (DMRC)	LV Power Cable (FRLS)
16	BHEL- ISG	HT XLPE Cables
		LT Power & Control Cables
		Instrumentation/ Singals/ Screened/ Telephone Special Cables
17	Power Development Department, J&K (Kashmir)	11 KV AB Cable 3Cx50 Sqmm + 70 Sqmm (bare)
		2Cx 2.5 Sqmm Cu, Arm, FRLS
		4Cx 2.5 Sqmm Cu, Arm, FRLS
		6Cx 2.5 Sqmm Cu, Arm, FRLS
		8Cx 2.5 Sqmm Cu, Arm, FRLS

Sl.No.	Approving Authority	Types of Cables
		10Cx 2.5 Sqmm Cu, Arm, FRLS
		12Cx 2.5 Sqmm Cu, Arm, FRLS
		33KV 1C x 400 Sqmm HT XLPE Cable
		11KV 3C x 400 Sqmm HT XLPE Cable
		11KV 3C x 300 Sqmm HT XLPE Cable
		11KV 3C x 185 Sqmm HT XLPE Cable
		11KV 3C x 50 Sqmm HT XLPE Cable
		HT AB 3 x 35 Sq.mm
		HT AB 3 x 120 Sq.mm
11kv 3C x 50 + 70 Sq.mm		
11kv 3C x 120 + 70 Sq.mm		
11kv 3C x 185 + 100 Sq.mm		
18	Eastern Power Distribution Corporation of Andhra Pradesh (APEPDCL)	HT Cables upto 33kV
		LT Power Cables
		LT Control Cables
19	Hubli Electricity Supply Company Ltd. (HESCOM)	6.35/11 KV 3C x 95 Sqmm,A2XFY (Strip Arm) HT XLPE Cable
		6.35/11 KV 3Cx 300 Sqmm,A2XWaY(Round Arm) HT XLPE Cable
		6.35/11 KV 1C x 300 Sqmm,A2XWaY,HT Cable
		6.35/11 KV 3C x 185 Sqmm,A2XFY,HT Cable
		6.35/11 KV 1C x 1000 Sqmm, A2XWaY, HT Cable
		6.35/11KV 1C x 630 Sqmm, A2XWaY, HT Cable
		6.35/11 KV 3C x 400 Sqmm, A2XWaY, HT Cable
		33 KV XLPE Cables 3C x 400 Sqmm 19/33 KV 2XFY
		1.1 KV 4C x 240 Sqmm, A2XFY LT Power Cable
		1.1 KV 4C x 25 Sqmm, A2XFY, LT Power Cable
		1.1 KV 3.5C x 70 Sqmm, A2XFY, LT Power Cable
		1.1 KV 2C x 95 Sqmm,A2XY (Round Arm) LT Power Cable
		1.1 KV 2C x 16 Sqmm, AYFY, LT Power Cable
		1.1 KV 4C x 400 Sqmm, 2XFY, LT Power Cable
		1.1 KV 2C x 2.5 Sqmm, YWY, LT Control Cable
		1.1 KV 61C x 2.5 Sqmm, YFY, LT Control Cable
		1.1 KV 3.5C x 400 Sqmm, 2XFY,LT Power Cable
20	PWD Jaipur	HT Cables upto 33kV
		LT Power Cables
		LT Control Cables
		Flexible Wires
21	Gujarat Energy Transmission Corporation Ltd. (GETCO) (VR No. 753)	66kV EHV Cables 1c x630 Sqmm, 1C x300 Sqmm
		11KV HT XLPE Power Cable
		LT XLPE/PVC Power Cable
		PVC Insulated Control Cables 1.1 Kv 2C, 4C,7c,12c,19c,27c x 2.5c &
		1.1 Kv 12c x 4 Sqmm
22	National Thermal Power Corporation (NTPC)	LT Power
		Control Cables
		HT Cables



Sl.No.	Approving Authority	Types of Cables
23	APGENCO	HT & LT Power Cables
		LT Control cables
		ACSR Conductors and FR Cables
24	SAIL IISCO (Vendor Code: S329)	HT Cables
		LT PVC Power Cables
		LT XLPE Control Cables
25	Himachal Pradesh State Electricity Board	Overhead Conductors: High Ampacity ACSS, & ACSR
		PVC Cables: Power as well as service connection
		Underground Cable (XLPE Cables) upto 66 kV
		Control Cable for CE's
26	Jawaharlal Nehru Port Trust (JNPT)	HT/ LT Cables
27	TATA Power- Delhi Distribution Limited	HT upto 11kV
		LT Power & Control Cables
		HT & LT AB Cables
28	RDSO	PVC Insulated Underground Armoured Unscreened Railway Signalling cables
29	BHEL - TBG	LT XLPE/ PVC Power
		Control Cables
30	M. P. Poorv Kshetra Vidyut Vitran Co. Ltd.	33kV 3C x 95 Sq.mm HT XLPE Cable
		33kV 3C x 300 Sq.mm HT XLPE Cable
		11KV 3C x 185 Sqmm HT XLPE Cable
		11KV 3C x 300 Sqmm HT XLPE Cable
		1.1kV 1C x 35 Sq.mm LT XLPE U/A Cable
		2Cx 2.5 Sqmm
		4Cx 2.5 Sqmm
		12Cx 2.5 Sqmm
31	Uttar Gujarat Vij Company Ltd. (UGVCL)	11kV 3C x 300 Sq.mm, XLPE
		11kV 3C x 240 Sq.mm, XLPE
		11kV 3C x 120 Sq.mm, XLPE
		1.1kV 10C x 2.5 Sq.mm, Cu, (A)
32	South Bihar Power Distribution Company Limited (SBPDCL)	11kV 3C x 300 Sq.mm
		33kV 3C x 400 Sq.mm
33	South Bihar Power Distribution Co. Ltd (SBPDCL)	33 KV 3C x 300 Sq.mm HT XLPE Power Cable
		33 KV 3C x 400 Sq.mm HT XLPE Power Cable
34	West Bengal State Electricity Distribution Corporation Ltd. (WBSEDCL)	11kV 3C x 95 Sq.mm
		11kV 3C x 300 Sq.mm
35	Maharashtra Housing & Area Development Authority (MHADA)	Conductors
		EHV Cables upto 66 KV
		HT Cables
		LT Power & Control Cables
36	DVVNL Agra	HT Cables
37	Airport Authority Of India (Phase -III)	PVC Insulated Copper Wire
		DC Cables



Sl.No.	Approving Authority	Types of Cables
38	Odisha Power Transmission Corporation Limited(OPTCL)	LT PVC Power & Control Cables (With Type C Insulation)
		LT XLPE Cables (Up to 1.1Kv)
39	Power Grid Corporation of India Limited	LT Power & Control Cables
40	Paschimanchal Vidyut Vitaran Nigam Limited(PVVNL)	HT cables & LT Control cables
41	BHEL-Jhansi	LT Power & Control Cables
		PVC Wires
		FRLS Cables
42	Mazagone Dock Shipbuilders Ltd.	EHV Cables upto 66 KV
		HT Cables
		LT Power & Control Cables
43	Public Health Engineering Department Rajasthan	HT Cables
		LT Power & Control Cables
44	Rashtriya Ispat Nigam Ltd.- Visakhapatnam Steel Plant	LT Power Cable (Al)-PVC
		LT Power Cable (Cu)-PVC
		LT XLPE Cables (Up to 1.1Kv)
45	Uttar Haryana Bijli Vitaran Nigam Ltd.	HT Cables
		LT Power Cables (Arm/Unarm)
		LT Control Cables (Arm/Unarm)
		Instrumentation Cables
46	Chattisgarh State Power distribution Company Limited (CSPDCL)	3.5Cx50sqmm, 1.1KV XLPE insulated Al cond. Armoured Cable
		3.5Cx70sqmm, 1.1KV XLPE insulated Al cond. Armoured Cable
		3.5Cx120sqmm, 1.1KV XLPE insulated Al cond. Armoured Cable
		3C x 240sqmm 11Kv XLPE insulated Al cond.Armoured Cable
		3C x 300sqmm 11Kv XLPE insulated Al cond.Armoured Cable
		3C x 300sqmm 33Kv XLPE insulated Al cond.Armoured Cable
47	Engineers India limited(EIL)	Cables - High Voltage- XLPE Voltage: Upto33Kv Single Core upto 630 sqmm Three core upto 300 Sqmm
		Cables- Medium Voltage- Power- PVC/XLPE
48	Jharkhand Urja Sanchar Nigam Limited	Aluminium XLPE Power Cables(Upto 1.1 Kv)
		Armoured Copper Control Cables
49	Greater Mohali Area Development Authority	HT & LT Cables
		Copper Conductors House wiring Cables
50	National Aluminium Company Limited	ACSR Conductors
		EHV Cables upto 66 KV
		HT Cables
		LT Power & Control Cables
		Instrumentation Cables
		Flexible Wires
51	India Register of Shipping (IRS)	1 KV - Single and Multi cores (upto 4 core), upto 150 Sqmm
		250 V - Control & Instrumentation Cable upto 37 Cores, upto 2.5 Sqmm





Sl.No.	Approving Authority	Types of Cables
52	Northern Railway	Trade Group : 4005 & 4020 Cables insulated FIR PVC PILIC & ACSR Conductors Vendor Code : C-0067
53	PDIL	HT Power cables
		LT Power Cables
		Control Cables
54	MECON	HT Power Cables
		LT Power Cables
		Control Cables
		Aerial Bunched Cables
		Flexible Cables
		Wires
55	Damodar Valley Corporation	LT Power Cables
		LT Control Cables
56	MES Western Command	EHV Cables up to 66 KV
		HT Power cables
		LT Power Cables
		LT Control Cables
		Flexible Cables
57	Punjab Police Housing Corporation Limited (PPHC)	Wires
		Aluminium Conductor LT Cables
		Aluminium Conductor HT Cables
58	Haryana Housing Board	HT Cables
		LT Cables
59	Punjab Urban Planning & Development Authority (PUDA)	HT Cables
		LT Cables
		PVC Wires
60	Dakshin Haryana Bijli Vitran Nigam(DHBVN)	LT Power Cables
		11 & 33 KV Cables
61		11kv 3Cx 120Sqmm ; Confirming to IS 7098 Part II
		11 Kv 3C x 95 Sqmm; Confirming to IS 7098 Part II
		1.1 Kv 4Cx 50 Sqmm; Confirming to IS 7098 Part I or 1554 Part I
		1.1 Kv 4Cx 25 Sqmm; Confirming to IS 7098 Part I or 1554 Part I
		1.1 Kv 4Cx 16 Sqmm; Confirming to IS 7098 Part I or 1554 Part I
		1.1 Kv 4Cx 185 Sqmm; Confirming to IS 7098 Part I or 1554 Part I
		1.1 Kv 4Cx 240 Sqmm; Confirming to IS 7098 Part I or 1554 Part I
		1.1 Kv 3.5Cx 240Sqmm; Confirming to IS 7098 Part I or 1554 Part I
		1.1 Kv 3.5Cx 300 Sqmm; Confirming to IS 7098 Part I or 1554 Part I
62	IREL India Limited	Cables (LT & HT)
		ACSR Conductor
		Telephone Cables
63	CPWD - Northern region	Conductors, Cables & Wires
64	NLC India Limited	Cables

Sl.No.	Approving Authority	Types of Cables
65	Punjab State Power Corporation Ltd	11 Kv 3C x 35 Sqmm; Confirming to IS 7098 Part II
		11 Kv 3C x 150 Sqmm; Confirming to IS 7098 Part II
		11 Kv 3C x 300 Sqmm; Confirming to IS 7098 Part II
		1.1 Kv 1C x 95 Sqmm; Confirming to IS 7098 Part I
		1.1 Kv 1C x 150 Sqmm; Confirming to IS 7098 Part I
		1.1 Kv 4C x 6 Sqmm; Confirming to IS 7098 Part I
		1.1 Kv 4C x 10 Sqmm; Confirming to IS 7098 Part I
		1.1 Kv 4C x 16 Sqmm; Confirming to IS 7098 Part I
		1.1 Kv 4C x 25 Sqmm; Confirming to IS 7098 Part I
		1.1 Kv 4C x 50 Sqmm; Confirming to IS 7098 Part I
		1.1 Kv 4C x 95 Sqmm; Confirming to IS 7098 Part I
		1.1 Kv 2C x 6 Sqmm; Confirming to IS 1554 Part I
		1.1 Kv 2C x 10 Sqmm; Confirming to IS 1554 Part I
		66
LT Power & Control Cables		
67	Maharashtra State Electricity Distribution Company Limited	L T XLPE Cable 3.5x300Sq.mm.Arm
		L T XLPE Cable 3.5x185Sq.mm.Arm
		L T XLPE Cable 3.5x120Sq.mm.Arm
		LT XLPE ARMOURED CABLE 3.5C X 95 SQ MM
		L T XLPE Cable 3.5x70 Sq.mm.Arm
		LT XLPE AL. ARMOURED CABLES 3.5 C X 50 SQ.MM
		LT XLPE AL. ARMOURED CABLES 3.5 C X 35 SQ.MM
		LT XLPE AL. ARMOURED CABLES 4 C X 16 SQ.MM
		LT XLPE AL. ARMOURED CABLES 2 C X 16 SQ.MM
		LT XLPE AL ARMOURED CABLE 2C X 6 SQMM
		LT XLPE ARMOURED 1C X 70 SQMM
		LT XLPE ARMOURED 1C X 50 SQMM
		HT XLPE CABLE 11KV 3C X 300 SQMM
		HT XLPE CABLE 11KV 3C X 185 SQMM
		HT XLPE CABLE 11KV 3CORE X 95 SQMM
		HT XLPE CABLE 22KV 3C X 300 SQMM
		HT,XLPE CBL.22KV,3x185Sq.mm.Ar
		HT XLPE CABLE 22KV 3C X 95 SQMM
		33KV XLPE CAB 3C 300 SQMM
68	Ordance Factory Board	12 Pair x 0.75 Sqmm (24 Core)
69	Central Electronics Limited (CEL)	Wires & Cables
70	Maharashtra State Power Generation Company Limited (MAHAGENCO)	LT XLPE Power Cables
		LT Control Cables





## APPROVAL FOR FARIDABAD PLANT

Annexure: 2

### LIST OF APPROVAL WITH UTILITIES & OTHER APPROVALS

Sl. No.	Approving Authority	Type of Cable
1	RDSO	PVC Insulated UG Unscreened Railway Power Cable (IRS: S-63/2014 & IS: 1554 P-I)
		PVC Insulates UG Unscreened Railway Signalling Cable (IRS:S-63/ 2014)
		PIJF Insulated & Sheathed Telephone Cable (IRS:TC 41/97)
		UG Railway JF Telecom Quad Cables (IRS: TC 30/2005)
		Railway Single Core Indoor Signalling (IRS S 76/89)
		Railway Multi Core Indoor Signalling (IRS S 76/89)
		1.4 MM Dia Quad Cable (RDSO/SPN/TC 72/ 2007)
2	BSNL	PIJF Telecom Cable (GR/CUG-01/03) (Group- II)
3	JMRC	Telephone Cables (Indoor/Outdoor)
4	DMRC	Telephone Cables (Indoor/Outdoor)
		Power Socket Cable
5	NTPC	LT Control Cable
		Signalling Cable
6	BHEL Hyderabad(PE & SD)	Control Cable
		LT Power
		Instrumentation/ Signal/ RTD Compensation/ TC Extention Cable
7	BHEL Hyderabad(HPEP)	PVC Cable /Arm Cable
8	BHEL Tiruchirapalli	XLPE LT Power Cable
		Multi Core Control Cable
		Compensating Cable
		Multi Pair Instrument Cable
9	BHEL Ranipet	LT Control Cable
		Instrument Cable
		LT Power Cable
10	BHEL Bhopal	Control Cables & Wires
11	BHEL PEM, Noida	LT Control Cable
		Instrument Cable
		EPR Insulated Fire Survival Cable
14	BHEL, IS- BG, Bangalore	LT PVC/XLPE Power Cable
		LT PVC/XLPE Control Cable
		PIJF Cable
		Rubber Cable
		Instrument Cable
		Screen Cable
		Co-axial Cable
15	ISRO Prolusion Complex, Mahendragiri Formerly LPSC	PVC Cable
		PTFE Cable
		Co-axial Cable
		Low Noise Cable
		Ethernet Cable



Sl. No.	Approving Authority	Type of Cable
		ThermoCouple Cable
		Video Cable
		XLPE Cable
16	ISRO Telemetry, Tracking & Command network	Electrical Cables & Wires
17	Space Application Centre	Data & Computer & Communication Cables
		Electrical Wires
		LT Power Cable & Wires
		RF Cables
18	ISRO Satellite Centre	Audio Grade Cable
		Data Grade Cable
		Electrical Cable
		Video Grade Cable
19	Satish Dhawan Space Centre	RF Cables
		Control Cable
		LT Cable Wires
		Data Cable
		Teflon Cable
		Instrumentation Cable
		Computer Cable
20	Liquid Propulsion Systems Centre, Valiamala	Electronic Cable
		LT Cable
		Wiring Cable
		Control Cable
		Telephone Cable
21	Liquid Propulsion Systems Centre, Bengaluru	Cable Wires
22	Durgapur Steel Plant (SAIL) (Vendor Code: 1000068831)	Power & Control Cable
		Telephone Cable
		XLPE Cable
		Instrumentation Cable
		EPR/CSP/Silicon Rubber Cable
23	Bokaro Steel Plant (SAIL) (vendor Code: 1000068831)	Instrumentation Cable
		Power Cable- EPR/CSP
		Power Cable- Copper/ AL, PVC Armoured/ Un Armoured cable- IS 694 & 1554 (part I)
		Power Cable- PVC Armoured/ Un Armoured Cable- IS 1554 (part II)
		PVE Telecommunication Cable
		PIJF Telecommunication Cable
24	Gurjarat Narmada Valley Fertilizers & Chemicals Ltd. (GNFC)	Instrumentation Cable
		LT PVC Flexibles
		Rubber/ Trailing Cables



Sl. No.	Approving Authority	Type of Cable
25	SAIL: IISCO Steel Plant (Supplier Code S293)	LT XLPE Power Cable
		Telephone & Instrumentation Cable
		Silicon Cable
		LT XLPE Control Cable
		Telephone Cable (Jelly Filled)
26	BHEL- TBG	LT XLPE/ PVC Power Cable
		LT XLPE/ PVC Control Cable
		Instrumentation Cable
27	Airport Authority of India	Fire Survival
		LT Power Cable
		LT Control Cables
		Telephone Cables
		Coaxial /Instrumentation Cables
28	BHEL EDN	LT Power & Control Cables
		Instrumentation/ Screened Cables
		ThermoCouple Cable
		Braided Cables
29	EIL	Control Cables-PVC/XLPE
		Fire Alarm & Communication
		Communication Cables-Jelly Filled
		Signal Cables
30	BHEL Jhansi	LT Power & Control Cables
		FRLS Cables
		PVC Wires
		Telephone Cables
31	Visakhapatnam Steel Plant (VSP)	LT Power (Cu) - PVC
		Telephone Cables Jelly Filled, PVC & PE
		Instrumentation & Compensating Cables
32	Bharat Electronics Ltd. (BEL)	Cables

The background features a large, light blue arc that spans across the top and sides of the page. Two stylized hands, also in light blue, are positioned as if holding the ends of this arc. The hands are composed of simple, rounded shapes for the palms and fingers. The overall aesthetic is clean and professional, using a monochromatic blue color scheme.

# MANAGEMENT **DISCUSSION AND ANALYSIS**





## GLOBAL ECONOMY \$

The IMF estimates that the global economy shrunk by 4.4% in 2020. The organisation described the decline as the worst since the Great Depression of the 1930s. The IMF is, however, predicting global growth of 5.2% in 2021. That will be driven primarily by countries such as India and China, forecast to grow by 8.8% and 8.2% respectively.

While there is no way to tell exactly what the economic damage from the global COVID-19 coronavirus pandemic will be, there is widespread agreement among economists that it will have severe negative impacts on the global economy. Early estimates predicated that, most major economies will lose at least 2.9 percent of their gross domestic product (GDP) over 2020.



## INDIAN ECONOMY ₹

No discussion on the state of Indian economy can begin without taking into consideration the impact of COVID-19 in each and every sphere of human activity. According to the provisional National Income estimates, which was released recently by the National Statistical Office, India's Gross National Income contracted to -7.20% in 2020-21 as against 4.20% in 2019-20. However, the figures turned out to be slightly better than -8% economic contraction data which was projected earlier. GDP growth in 2019-20, prior to the COVID-19 pandemic, was 4% and the same had been estimated at -7.30 % in 2020-21.

Despite all these setbacks, one figure that stood apart is India's real GDP growth estimates that stood at rate of 11% in 2021-22. Coupled with nominal GDP growth by 15.4% these two figures turned out to be the highest since independence. Supporting this V-shaped economic recovery the mega vaccination drive that is driving the hopes of a robust recovery in the services sector and prospects for robust growth in consumption and investment.

The Indian economy at present stands of strong fundamentals. The gradual scaling back of lockdowns supported by Atmanirbhar Bharat Mission have placed the economy firmly on the path of revival. These twin measures would lead to a growth by 2.4% in real GDP over the absolute level of 2019-20. It can be said with reasonable certainty that the country's economy would take about two years not just to reach but also surpass the pre-pandemic levels. These projections are in sync with IMF estimate of real GDP growth of 11.5 per cent in 2021-22 for the country and 6.8 per cent in 2022-23. According to IMF India is expected to emerge as the fastest growing economy in the next two years.

## GLOBAL POWER CABLES MARKET

Amid the COVID-19 crisis, the global market for Power Cables estimated at US\$91 Billion in the year 2020, is projected to reach a revised size of US\$135.2 Billion by 2027, growing at a CAGR of 5.8% over the analysis period 2020-2027.

Low-voltage power cables, one of the segments analyzed in the report, is projected to record a 5.8% CAGR and reach US\$23.7 Billion by the end of the analysis period. After an early analysis of the business implications of the pandemic and its induced economic crisis, growth in the Medium-voltage power cables segment is readjusted to a revised 6.4% CAGR for the next 7-year period.

In the global High-voltage power cables segment, USA, Canada, Japan, China and Europe will drive the 5% CAGR estimated for this segment. These regional markets accounting for a combined market size of US\$36.1 Billion in the year 2020 will reach a projected size of US\$50.9 Billion by the close of the analysis period. China will remain among the fastest growing in this cluster of regional markets. Led by countries such as Australia, India, and South Korea, the market in Asia-Pacific is forecast to reach US\$18.2 Billion by the year 2027, while Latin America will expand at a 6.7% CAGR through the analysis period.

## WIRE AND CABLE MARKET IN INDIA

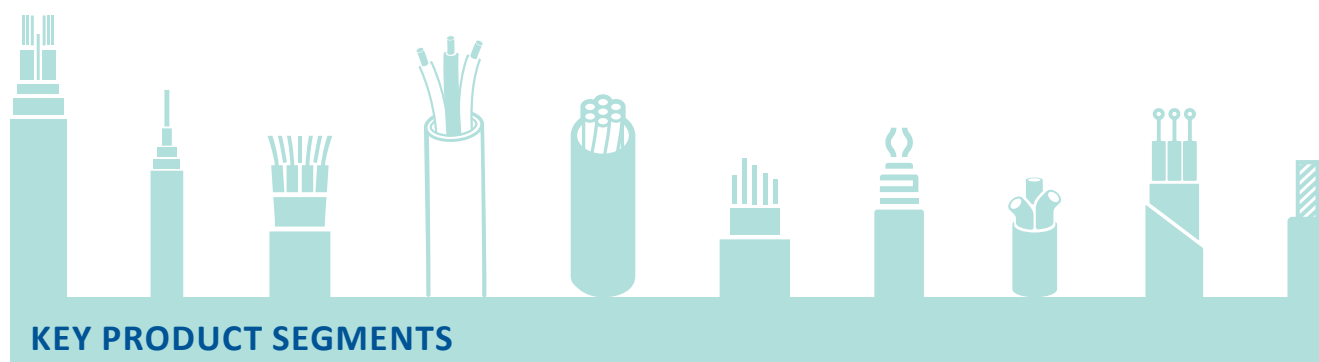
In India, the wire and cable market comprises nearly 40 per cent of the electrical industry. It is growing at a CAGR of 15 per cent thanks to the growth of the power and infrastructure sectors in the country. Moreover, global investors now consider India as a potential market for high voltage (HV) and extra high voltage (EHV) cables. The electric wire and cable market in India is expected to grow by USD 1.65 billion, at a CAGR of almost 4% during 2021-2025.

The Government of India has been investing significantly in infrastructure development plans over the past few years. For instance, the country allocated extra funds for the development of the railway sector in its 2019 annual budget. Also, the Ministry of Power (India) is making significant investments to electrify all villages in the country by 2021. Moreover, the increasing demand for uninterrupted power supply and the rising emphasis on renewable power is expected to provide several growth opportunities for market vendors during the forecast period.

Based on the segmentation by end-user, the market generated maximum revenue in the railway segment in 2020-21. Over the years, the Government of India has continuously worked on strengthening the growth of the railway sector.







## KEY PRODUCT SEGMENTS

The Company is one of the leading manufacturers of wires and cables, serving clients in India and abroad in various sectors, with all the latest certifications (ISO 9001, ISO 14001, BS ISO 45001). The broad segmentation of the products manufactured by the Company are as follows:

Types of Cables	Application
Quad Cables	Specialized safety cables used by Railways for counting incoming & outgoing axles / coaches at any particular section to ensure no coach is left behind.
Railway Signalling Cables	Used for transmitting signals to signal posts for smooth movement of trains.
Fire Survival Cables	Used to maintain circuit integrity in case of fire for 3 hours up to 950o C, to ensure transmission of signals to safety equipment.
Fire Retardant Low Smoke Zero Halogen (LSZH) Cables	Ensures better visibility and low toxicity in case of fire.
Highly Flexible Multi-core Copper Shielded Abrasion Resistant Thermoplastic Polyurethanes (TPU) Sheathed Cables	Used for gas insulated substations.
EHV/MV/HV/LV Power Cables	Used for supplying power.
LV Control Cables	Used for special purposes in various sectors.
Polythene Insulated Jelly Filled (PIJF) Telecom Cables	Used for last mile connectivity.
Fire Alarm & Communication Cables	Used for fire detection & alert equipment.
Ethylene Propylene Rubber (EPR)-Chloro-Sulfonated Polyethylene (CSP)-Polychloroprene (PCP)-Silicon Cables	Used at high temperature in mines, steel, ship building & wind energy generation industry.
Flexible and Building Wires	Building Wire cables-for building wiring on wall surface in conduit.
Industrial wiring cables-for wiring of panel & other electrical equipments including UPS cabling.	Building Wire cables-for building wiring on wall surface in conduit.
Low voltage Cables and Instrumentation and Control cables	Used for power transmission, Single Transmission
Aerial Bunch Cables	Used for power transmission and distribution
High Voltage Cables	Used for power transmission
Extra High Voltage Cables	Used for power transmission
Overhead Conductors	Used for power transmission and distribution



SECTOR THAT  
WE SERVE  
**OUR GROWTH  
PARTNERS**



## INDIAN RAILWAYS



The railway sector has proven to be a key contributor in India's response to the Covid-19 crisis. It played a critical role in addressing supply chain challenges during the lockdown when other modes of transport came to a halt. While several projects continue to face challenges due to difficulties in labour mobilisation and procurement of specialised equipment, work on IR's mega infrastructure projects such as 100 per cent electrification are continuing as per schedule. Going forward, IR is expected to increase its focus on the freight segment to make up for the losses incurred due to suspension of passenger trains. In addition, the sector is also looking to tap new sources of funding including private investment for faster infrastructure development.

The National Infrastructure Pipeline envisages a planned capital investment of over Rs. 13 trillion for the railways sector by 2024-25. IR has a target to complete over 17,000 km of new line, doubling and gauge conversion works by 2023-24.

Indian Railway network is growing at a healthy rate. In the next five years, Indian railway market will be the third largest, accounting for 10% of the global market. The government has announced two key initiatives for seeking private investments—running passenger trains by private operators across the railways network and redevelopment of railway stations across the country. According to Indian Railways, these projects have the potential of bringing an investment of over US\$ 7.5 billion in the next five years.

'Adarsh' Station Scheme has been started since 2009-10 and presently, railway stations are upgraded/modernised based on identified need of providing better enhanced passenger amenities at stations. Under the scheme, 1253 stations have been identified for development, out of which 1201 stations so far have been developed. The remaining 52 stations are planned to be developed by 2021- 22.

The Indian Railway launched the National Rail Plan, Vision 2024, to accelerate implementation of critical projects, such as multitrack congested routes, achieve 100% electrification, upgrade the speed to 160 kmph on Delhi-Howrah and Delhi-Mumbai routes, upgrade the speed to 130 kmph on all other golden quadrilateral-golden diagonal (GQ/GD) routes and eliminate all level crossings on the GQ/GD route, by 2024.

## ADVANTAGE INDIA



### Growing Demand

- Increasing urbanisation and rising income (both urban and rural) is driving growth in the passenger segment.
- India is projected to account for 40% of the total global share of rail activity by 2050.



### Attractive Opportunities

- In FY 20-21, Indian Railways recorded the highest loading in freight transportation. Freight traffic carried by Indian Railways stood at 12,032.65 million tonnes in FY 21.
- Metro rail projects are being envisaged across many cities over the next ten years.



### Higher Investments

- FDI inflow in railway-related components stood at US\$ 1.12 billion from April 2000 to September 2020.
- Rail infrastructure will see an investment of Rs. 50 lakh crore (US\$ 715.41 billion) by 2030.
- Railway infrastructure investment is expected to increase from US\$ 58.96 billion in 2013-17 RE to US\$ 124.13 billion by 2018-22E.



### Policy Support

- FDI inflow in railway-related components stood at US\$ 1.23 billion from April 2000 to March 2021.
- Government has allowed 100% FDI in the railway sector.
- In January 2021, the Ministry of Railways rolled out a new iron ore policy governing allocation of rakes and transportation of iron ore.



## METRO TRAIN



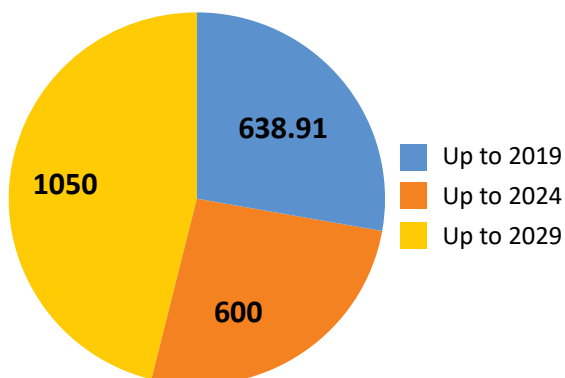
### Growing Indian Metro Railway Sector



The Indian Metro Rail system has traveled from 35 Km (including 27 Km of Kolkata Metro) in 2002 to 638.91 km in last 17 years and currently has 13 operational metro systems in 18 cities.

This already decent sized metro system is expanding rather ambitiously. It is estimated that by 2024 approximately 600 km of metro lines shall be made operational through expansion of existing systems and completion of 5 under-construction metro systems in Navi Mumbai, Pune, Kanpur, Bhopal and Indore city. A further 1050 Km are expected to be added over a 5 year period starting 2024, making a total of 1650 Km of additional network in next 10 years. There are 7 more cities of India- Agra, Patna, Surat, Meerut, Visakhapatna, Varanasi and Dehradun (Doon Valley) which have metro projects in planning stage and 10 cities: Gwalior, Guwahati, Srinagar, Coimbatore, Ludhiana, Prayagraj, Ranchi, Jabalpur, Bareilly, Gorakhpur where metro projects have been proposed.

After a very long gap between India's first Calcutta (Kolkata) Metro project in 1984 which was undertaken by the Indian Railways, Delhi Metro Rail Corporation Ltd. (DMRC) had inaugurated the first section of its metro rail project in 2002. Looking at the immense success of Delhi Metro, new systems were developed in Bangalore, Mumbai, Lucknow and other cities in order to ease the heavily loaded urban transportation infrastructure.



**Estimated Metro Network of India (Km)**

10 years from now India is expected to have 32+ operational metro rail systems. This mass transit system is proving to be an effective solution for urban transportation, supporting the growth of rapidly growing cities. This immense growth is directly impacting the demand for modern metro coaches and emergence of a thriving Metro Rail Coach Industry in India.

## POWER TRANSMISSION AND DISTRIBUTION SECTOR



India has set ambitious targets for the power sector and aiming for 24x7 powers for all, with 450 GW of renewable capacity by 2030. Many of the government's major initiatives, such as Make In India or Aatma nirbhar Bharat, require access to reasonably priced, high quality power to take off.

However, the distribution sector has been the Achilles' heel of the power sector, consistently making large losses (estimated at Rs. 90,000 cr for FY 21), reflecting weaknesses in operations, infrastructure, and regulation. The country will not be able to achieve a high-growth, low-carbon economy unless the distribution sector achieves profitability. The solution to this problem will include smart meters and smart grids, but the most important solutions might lie in institutional smartness - whether in power procurement, in ensuring high-quality regulation, or in encouraging private participation in distribution.



## DISCOM RESTRUCTURING



The distribution sector has been largely vertically unbundled—the three different functions of generation, transmission, and distribution have now been separated. While there might be de jure unbundling, the degree of de facto unbundling might vary. In states such as Gujarat, the unbundling was an important step towards improving the performance of discoms. Most discoms are state-owned, and only about 10 percent of India's population is served by private distribution licensees. Higher private participation in distribution holds out the possibility of greater efficiency.





With the outbreak of Covid-19 and the ensuing economic slowdown, the cable and conductor segment has undoubtedly witnessed a corresponding demand slowdown. At the same time, domestic manufacturing has suffered owing to supply chain disruptions. However, there is expected to be robust demand for cables and conductors in the medium to long term, primarily on the back of the expanding T&D network and infrastructure.



It is worth noting that the government has announced a \$1.4 trillion National Infrastructure Pipeline for the infrastructure sector over a five-year period, aligned with the vision to make India a \$5 trillion economy by 2024-25. Infrastructure spending by the government will boost demand for cables and wires.

## RENEWABLE ENERGY SECTOR



Indian renewable energy sector is the fourth most attractive renewable energy market in the world<sup>1</sup>. India was ranked fifth in wind power, fifth in solar power and fourth in renewable power installed capacity, as of 2019.

Installed renewable power generation capacity has gained pace over the past few years, posting a CAGR of 17.33% between FY16-20. With the increased support of Government and improved economics, the sector has become attractive from investors perspective. As India looks to meet its energy demand on its own, which is expected to reach 15,820 TWh by 2040, renewable energy is set to play an important role. The government is aiming to achieve 227 GW of renewable energy capacity (including 114 GW of solar capacity addition and 67 GW of wind power capacity) by 2022, more than its 175 GW target as per the Paris Agreement. The government plans to establish renewable energy capacity of 523 GW (including 73 GW from Hydro) by 2030.

As of 2020-21, India had 95.7 GW of renewable energy capacity, and represents 25% of the overall installed power capacity, providing a great opportunity for the expansion of green data centres.

The country is targeting about 450 Gigawatt (GW) of installed renewable energy capacity by 2030 – about 280 GW (over 60%) is expected from solar.

Installed renewable power-generation capacity has increased at a fast pace over the past few years, posting a CAGR of 15.51% between FY16 and FY21. India had 94.4 GW of renewable energy capacity in FY21.

From April 2015 to February 2021, India has added 117.9 GW of power generation capacity, including 64.5 GW of conventional source and 53.4 GW from renewable sources.

With a potential capacity of 363 GW and with policies focused on the renewable energy sector, Northern India is expected to become the hub for renewable energy in India.

The Government is committed to increased use of clean energy sources and is already undertaking various large-scale sustainable power projects and promoting green energy heavily. In addition, renewable energy has the potential to create many employment opportunities at all levels, especially in rural areas. The Ministry of New and Renewable Energy (MNRE) has set an ambitious target to set up renewable energy capacities to the tune of 227 GW by 2022, of which about 114 GW is planned for solar, 67 GW for wind and other for hydro and bio among other. India's renewable energy sector is expected to attract investment worth US\$ 80 billion in the next four years. About 5,000 Compressed Biogas plants will be set up across India by 2023.

It is expected that by 2040, around 49% of the total electricity will be generated by renewable energy as more efficient batteries will be used to store electricity, which will further cut the solar energy cost by 66% as compared to the current cost. \*Use of renewables in place of coal will save India Rs. 54,000 crore (US\$ 8.43 billion) annually<sup>3</sup>. Renewable energy will account for 55% of the total installed power capacity by 2030.

As per the Central Electricity Authority (CEA) estimates, by 2029-30, the share of renewable energy generation would increase from 18% to 44%, while that of thermal is expected to reduce from 78% to 52%.





According to the year-end review (2020) by the Ministry of New and Renewable Energy, another 49.59 GW of renewable energy capacity is under installation and an additional 27.41 GW of capacity has been tendered. This puts the total capacity of renewable energy projects (already commissioned or in the pipeline) at ~167 GW.

The Government of India wants to develop a 'green city' in every state of the country, powered by renewable energy. The 'green city' will mainstream environment-friendly power through solar rooftop systems on all its houses, solar parks on the city's outskirts, waste to energy plants and electric mobility-enabled public transport systems.

## TELECOMMUNICATION SECTOR

The cables, cable assemblies, and connectors play a crucial role in the Telecommunication sector. The telecom cables are used to transmit electromagnetic waves/signals, electric signals, and light signals. These cables are used in the enterprise network equipment, subscriber equipment, wireline network equipment, and multiservice operator equipment. The telecommunication sector is creating an opportunity for the manufacturers to design a highly efficient standardized as well as customized cables and connectors.

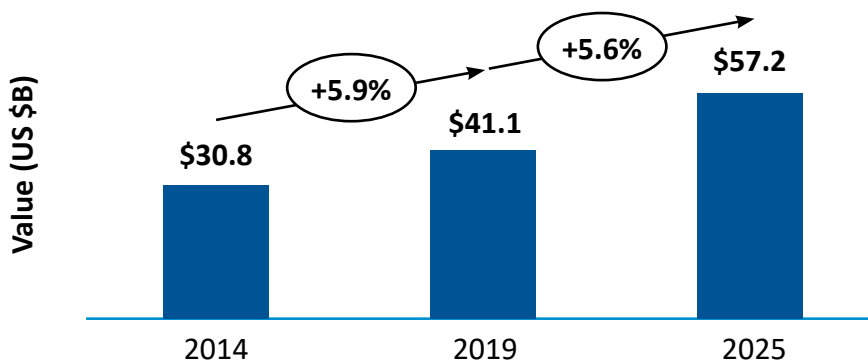
The future of the telecom cable market looks promising with opportunities in the telecommunication infrastructure, CATV, data center, and computer networking markets. The global telecom cable market is expected to decline in 2020 due to global economic recession led by COVID-19. However, market will witness recovery in the year 2021 and it is expected to reach an estimated \$57.2 billion by 2025 with a CAGR of 4% to 6% from 2020 to 2025 . The major growth drivers for this market are increasing demand for internet connectivity, increasing subscriber base, and growing investment in telecom infrastructure.



Within the telecom cable market, telecommunication will remain the largest application due to growing deployment of fiber optic cable for long range communication and digital transformation in the telecommunication industry. It is predicted that CATV is expected to witness the highest growth during the forecast period supported by increasing demand for high definition video content and growth in smart devices.

Asia Pacific is expected to remain the largest region and witness the highest growth over the forecast period due to growing demand for cloud based technology with high connectivity speed and increasing investment in IT infrastructure.

### TRENDS AND FORECAST FOR THE GLOBAL TELECOM CABLE MARKET (US \$B) (2014-2025)



Source: Lucintel



## ELECTRIC CARS



### COVID-19 Impact on EV Charging Cables Market:

The production and sales of new vehicles had come to a halt across the globe as the entire supply chain had been disrupted during the initial outbreak of COVID-19. OEMs had to wait until lockdowns were lifted to resume production, which affected their businesses. Hence, vehicle manufacturers are expected to adjust production volumes. Also, component manufacturing was suspended, and small Tier II and Tier III manufacturers could have faced liquidity issues. The automotive industry is highly capital-intensive and relies on frequent financing to continue operations. Thus, the suspension of production during the outbreak and lower demand are expected to have an unprecedented impact on electric vehicle charging station manufacturers and suppliers.

Electric vehicle market however, has not been negatively affected due to COVID-19 as there was high growth in the sales of EVs during the pandemic. This led to a growing demand for EV charging cables around the world. However, in the first few months, the production of most companies was affected due to lockdowns and logistics

problems. However, post lockdowns, the demand for EV charging cables surged as governments around the world increasingly encouraged changing to low emission fuel vehicles. Many countries also increased their EV charging stations and related infrastructure across their states. This led to a growing demand for EVs in the years to come.

An increase in the adoption and use of electric vehicles has accentuated the need for charging infrastructure and EV charging cables. Leading markets for electric vehicles such as China, the US, and Germany are investing significantly in electric vehicles and EV charging infrastructure along with research & development for faster and efficient charging methods. Significant investments by automakers are expected to cater to the rising demand for EVs and play a major role in the evolution of the electric vehicle charging cable market.

The rising demand for high-speed charging stations has compelled manufacturers of EV charging cables to develop advanced technology cables. Most of the DC charging stations operate on 400 V to 480 V and can charge up to about 50kW. Leading EV charging cable manufacturers have launched various new products to ease the charging process. Further advancements in EV charging cables are expected to act as an opportunity for the growth of the market.



## OUTLOOK

Growth prospects in India have been downgraded following the severe second Covid wave in 2020,

The corona virus pandemic has significantly weakened India's growth outlook for this year and exposed the challenges associated with a high public-debt burden. Economic activity to contract by 5 percent in the fiscal year ending March 2021 (FY21) from the strict lockdown measures imposed.



PERFORMANCE  
OF THE  
**COMPANY**





## FINANCIAL PERFORMANCE

- The company has closed at total revenue of Rs. 206.12 crores during FY ended March 31, 2021 as compared to Rs. 512.12 crores during the previous FY ended March 31, 2020.
- Business loss (before tax) of Rs.77.77 crores is posted for FY ended March 31, 2021 as against net profit of Rs. 10.58 crores for FY ended March 31, 2020.
- Net loss of Rs. 194.80 crores is posted (after exceptional items of Rs. 140.44 crores) for FY ended March 31, 2021 as against net profit (after tax) of Rs. 3.70 crores for FY ended March 31, 2020.
- EPS of the company stood at (Rs.128.47) as at March 31, 2021 as compared to Rs. 2.46 as at March 31, 2020.

## FINANCIAL HIGHLIGHTS

Particulars	Mar-21	Mar-20	Mar-19
Revenue from Operations	<b>201.70</b>	498.29	637.30
PBT	<b>-218.21</b>	10.33	41.58
EPS (Rs.)	<b>-128.47</b>	2.46	29.91
Book Value	<b>77.71</b>	208.95	208.52
PAT	<b>-194.60</b>	3.70	45.08
Net worth	<b>117.12</b>	306.62	305.97

## OPERATIONAL PERFORMANCE

The operations during the FY 2020-21 were seriously impacted by outbreak of COVID – 19 pandemic which was at its peak for a major part of the year. Nationwide lockdowns and subsequent slowdown in the entire domestic and global economy caused massive disruptions in normal working for the business units posing

consequential volatile economic scenario and depressed business environment. CMI was also under operational stress due to COVID induced restrictions imposed by the regulatory authorities from time to time. Entire non-essential services were placed out of operations during lock down period and the operations were allowed in a controlled manner post lock down to which CMI was also not an exception. Our core business segment with





Railways was phenomenally affected as railways were also placed out of operations for a pretty long period. Execution of business with major clients in power sector, PSUs and other corporate bodies were also adversely affected.

In nut shell FY 21 was an abnormally different year and beyond any normal comparison. The management was hopeful of recovery with the turnaround of the infra sector which was under continuous thrust by the current govt. However the situations created by the outburst of pandemic derailed all the efforts. The low capacity utilization particularly at Baddi plant remained a cause of concern to the company and the expected growth could not be achieved from the above plant which was further adversely affected with the outbreak of COVID 19 when the activities in the plant were at take off stage.

Performance of the company could not be achieved on the expected lines which is purely circumstantial in nature. Q1 was literally washed out due to lockdown. Though business opportunities were available before us, we had to sacrifice losing of substantial business to the tune of over Rs. 400 crores owing to certain obvious and above stated constraints. CMI was further exposed to loss of substantial sales due to non-supply caused by procurement challenges faced by the company. Despite all these odds, the company kept on improving the performance quarter after quarter and finally witnessed a controlled dip in total operating revenue from Rs. 498.29 crores in FY 19-20 to Rs. 201.70 crores in FY 20-21 i.e. by 59.52 %.

## PROFITABILITY

Low sales performance led to inadequate profitability to meet the fixed and variable cost of the company ending up with genuine business loss of Rs. 77.77 crores in FY 20-21. The mounting financial costs of the company are also evident which soared over Rs. 45 crores in 2020-21. Underutilisation of capacities and operational inefficiencies resulting in operational deficits at Baddi plant remained a cause of concern for achieving the required profitability.

Financial position has taken fresh load of Rs. 140.44 crores declared under exceptional items comprising of net profit or loss on sale of fixed assets, claims and liquidated damages, provision for doubtful debts, provision for decrease in value of inventory and disputed items now accounted. Total loss has thus increased to Rs. 218.21 crores which is significantly disproportionate to previous years due to the abnormalities occurred in FY 20-21 as explained above.

## KEY FINANCIAL RATIOS

In accordance with the SEBI (Listing and Disclosure Requirements) (Amendment) Regulations, 2018, the



Company is required to provide details of significant change (changes of 25% or more as compare to immediately preceding financial Year) in key sector specific ratios. The Company has identified following ratios as key financial ratios:

Particulars		31.03.2020	31.03.2021	Change (%)
Operating Profit/ Net Sales (%)		2.07	<b>-37.73</b>	39.80
Net Profit/Net Sales (%)		0.72	<b>-94.41</b>	95.13
Return on Net Worth (%)		1.18	<b>-156.22</b>	157.40
Interest Coverage Ratio	Times	1.34	<b>-4.50</b>	5.84
Debt / Equity Ratio		0.20	<b>0.51</b>	-0.31
Current Ratio		1.55	<b>0.94</b>	0.61
Inventory Turnover Ratio	Months	4.40	<b>8.99</b>	-4.59
Inventory Turnover Ratio	%	36.65	<b>74.94</b>	-38.29
Debtors Turnover Ratio	Months	4.67	<b>8.05</b>	-3.38
Debtors Turnover Ratio	%	38.92	<b>67.08</b>	-28.16
Net profit margin	%	0.72	<b>-94.41</b>	-95.13

## REASON OF CHANGE

The company has witnessed moderation in total operating revenue from Rs. 498.29 crore in FY19-20 to Rs. 201.70 crores in FY20-21, i.e. by 59.52% mainly on account of outbreak of COVID – 19 pandemic which was at its peak for a major part of the year. Nationwide lockdown and subsequent slowdown in the entire domestic and global economy caused massive disruptions in normal working for the business units posing consequential volatile economic scenario and depressed business environment. CMI was also under operational stress due to COVID induced restrictions imposed by the regulatory from time







to time. Entire non-essential services were placed out of operations during lock down period and the operations were allowed in a controlled manner post lock down to which CMI was also not an exception. Our core business segment with Railways was phenomenally affected as railways were also placed out of operations for a pretty long period. Execution of business with major clients in power sector, PSUs and other corporate bodies was also adversely affected.

Business loss of Rs.77.77 crores is posted for FY ended March 31, 2021 as against net profit of Rs. 3.70 crores for FY ended March 31, 2020. Low sales performance was unable to generate required profitability to meet the fixed and variable cost of the company ending up with genuine business loss of Rs. 77.77 crores in FY 20-21. The mounting financial costs of the company are also evident which soared over Rs. 45 crores in 2020-21. Underutilisation of capacities and operational inefficiencies resulting in operational deficits at Baddi plant remained a cause of concern for achieving the required profitability.

Net loss of Rs. 194.80 crores is posted (after exceptional items of Rs. 140.44 crores for FY ended March 31, 2021 as against net profit (after tax) of Rs. 3.70 crores for FY ended March 31, 2020. The major variation in profitability is on account of Rs. 140.44 crores declared under exceptional items comprising of net profit or loss on sale of fixed assets, claims and liquidated damages pertaining to prior periods, provision for doubtful debts, provision for decrease in value of inventory and other prior period disputed items now accounted. Total loss (before taxes) is thus increased to Rs. 218.21 crores which is significantly disproportionate

to previous years due to the abnormalities occurred in FY 20-21 as explained in above parts.

Weakening of annual turnover and incurring of losses has adversely impacted financial comparison of FY 2020-21 with FY 2019-20.

Business Losses have caused dilution of TNW from Rs. 306.62 crores to Rs. 117.12 crores which in turn has also adversely effected return on Net Worth. Consequently there is decline in debt equity ratio despite repayments of term loans made during the year.

Increase in Inventory turnover ratio and debtor's velocity is on account of decline in sales during the year due to economic disruption and without corresponding reduction in inventory/debtors holding. Movement of inventory was affected since execution of orders was held up due to disruption of normal operations and the collections from customers declined in COVID induced economically disruptive conditions during FY 21.

Total Current Assets of Rs. 496.45 crores as at 31.03.2020 were reduced to Rs. 365.19 crores as at 31.03.2021 mainly due to reduction in inventory holding and accounting of provisions against slow moving debtors on the basis of recoverability estimates by the management. On the contrary Total current liabilities have increased from Rs. 322.94 crores to Rs. 387.61 crores in the corresponding period mainly due to increase in current financial liabilities and creditors thereby causing adverse liquidity reflected in downward movement of NWC/dip in current ratio.

The background features a large, light blue arc that spans across the top and right sides of the page. Two stylized hands, also in light blue, are positioned as if holding the ends of this arc. The hands are simplified, with fingers represented by three parallel lines. The overall aesthetic is clean and professional, using a monochromatic blue color scheme.

# DIRECTORS' **REPORT**





To the Members,

The Board of Directors present the Fifty Fourth Annual Report of the Company, along with the financial statements for the financial year ended 31st March, 2021.

## 1. FINANCIAL SUMMARY

The financial summary and performance highlights of the Company, for the year under review are as follows:

(Amount Rs. in Lakhs)

Particular	Financial year	
	2020-21	2019-20
Total revenue	20,612.09	51,212.21
Less: Total Expenditure excluding Depreciation	27,201.23	48,986.09
<b>Profit before Depreciation and Tax</b>	<b>(6,589.14)</b>	2,226.12
Less: Depreciation	1,187.52	1,167.78
Add: Exceptional items	(14,044.15)	(25.48)
<b>Profit Before Tax</b>	<b>(21,820.81)</b>	1,032.86
Less: Current Tax	-	-
Deferred Tax	(2,360.50)	(662.74)
<b>Net Profit after Tax</b>	<b>(19,460.31)</b>	370.12

Previous year's figures have been regrouped/ rearranged wherever considered necessary.

## 2. FINANCIAL AND OPERATIONAL PERFORMANCE

The year gone by started with an unprecedented nation-wide lockdown due to pandemic which has negatively impacted the economic activities across the globe. Post relaxation of lockdown economic activities gradually started picking up from mid May 2020. CMI, backed by manufacturing strength, robust supply chain management and strong distribution network made a strong come back. The recovery was led by consumer segments of the business followed by pick up in industrial segments.

During the year under review, your Company's revenue from operations was Rs. 20612.09 Lakhs. Further, in the Financial Year ended 31st March, 2021, the Profit/(Loss) before tax (PBT) was Rs. -21820.81 Lakhs as against profit of Rs. 1,032.86 in the previous year and Profit/(Loss) after tax (PAT) was Rs. -19460.31 Lakhs against Rs. 370.12 Lakhs in the previous financial year.

The Company has adopted adequate cost control measures throughout the year, and has been aggressive in its quest for new business. This helped

to deliver a decent revenue growth. Your Company continues to focus on production of quality cables to broaden its customer base and to set a benchmark in the competitive market. With stable government at centre, the long term outlook of cable industry is expected to be favorable, driven by Power Sector Reforms, Modernization of Railways, new Metro Railways and other Infrastructures Developmental Projects.

Economic environment continues to remain uncertain and challenging owing to Covid and partial lockdowns across the country. However, we as an organization remain vigilant to the ground developments with confidence and optimism to manage emerging scenarios.

## 3. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT AND 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 material changes and commitments affecting the financial position of the company occurred between the end of financial year of your Company and the date of Director's Report.

## 4. SHARE CAPITAL

As on 31st March, 2021, Paid up share Capital of the Company is Rs. 16,02,74,570/- (Rupees Sixteen Crores Two lakhs Seventy Four Thousand Five hundred and Seventy Only) divided into 1,60,27,457 (One Crore Sixty Lakh Twenty Seven Thousand Four Hundred Fifty Seven) equity shares of Rs. 10/- (Rupees Ten) each.

Pursuant to the provisions of Section 23, 42 and Section 62 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Companies (Share Capital and Debentures) Rules, 2014, Companies (Prospectus and Allotment of shares) Rules, 2014 and relevant provisions of the Memorandum and Articles of Association of the Company, and relevant applicable provisions of SEBI (ICDR) Regulations, 2018 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as

amended up to date (“SEBI (LODR) Regulations”), the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended (the “Takeover Regulations”) the board of directors have allotted 10,00,000 Equity Shares at a price of R. 50/- each including premium of Rs. 40/- having face value of Rs. 10/- each, on preferential basis, to Non promoters.

The proceeds of the said Preferential Issue were utilized for repayment of debts of the Company and have been applied for the purpose of which funds were raised.

## 5. CREDIT RATING

For the Financial Year 2020-21, CARE has revised the rating from BBB+; Stable (Triple B Plus; Outlook Stable) to CARE BBB; Stable (Triple B; Outlook Stable) for the Long Term Bank Facilities and CARE A3+ (A Three Plus) to CARE A3 (A Three) for the Short Term Bank facilities availed by the Company vide their letter dated 30th July, 2020.

Thereafter, CARE revised the rating from CARE BBB; Stable (Triple B; Outlook Stable) to CARE D (Single D) for the Long Term Bank Facilities and CARE A3+ (A Three Plus) to CARE D (Single D) for the Short Term Bank facilities availed by the Company vide their letter dated 25th September, 2020 and later reaffirmed the same on 12th November, 2020.

## 6. DIVIDEND AND RESERVES/OTHER EQUITY

In view of the financial performance and losses during the year under review, the Board of Directors has not recommended any dividend for the financial year under review. As the Company has incurred losses during the year, Other equity of the Company as on 31st March, 2021 stands at 10853.60.

## 7. PUBLIC DEPOSITS

The Company has not accepted or renewed any fixed deposits during the period under review. It has not accepted any deposits from the public within the meaning of the provisions of Section 73 of the Companies Act, 2013 and Rules made thereunder. Therefore, it is not required to furnish information in respect of outstanding deposits under non-banking, non-financial Companies (Reserve Bank) Directions, 1966 and Companies (Accounts) Rules, 2014.

## 8. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

As on 31st March, 2021, the Company do not have any Associate or Subsidiary Company. Therefore,

disclosure in Form AOC-1 in terms of Section 129(3) of the Act is not required.

## 9. INTERNAL FINANCIAL CONTROLS

The Board / Management believes that based on the knowledge/ information gained by them about affairs of the Company from records, the Company has effective internal financial control systems and policies and such controls are operating effectively. The internal control systems include documented policies, checks and balances, guidelines and procedures, that are supplemented by robust internal audit processes and monitored continuously through periodical reviews by management to provide reasonable assurance that all assets are safeguarded; and all transactions entered into by company are authorized, recorded and reported properly. The Board/Management is in the process reviewing the internal controls framework of the Company with an objective to have a robust internal control framework commensurate with the size, scale and nature of business of the company.

Pursuant to provisions of Section 138 and other applicable provisions, if any, read with rule 13 of the Companies (Accounts) Rules ,2014, of the Companies Act,2013, the board of directors in their meeting held on 17.07.2020, on the recommendation of the Audit Committee of the Company, appointed M/s. Priyanka Singh and Associates as the Internal Auditor of the Company to conduct internal audit of the records of the Company for the financial year ended on 31st March, 2021 at a remuneration to be fixed by the Board. The Report submitted by the Internal Auditor has been reviewed by the Audit Committee from time to time.





## 10. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As on 31st March, 2021, the Company has 6 Directors with an Executive Chairman, which includes 1 Executive Directors, 3 Non-executive Independent Directors inclusive of 1 Woman Director and 2 Non-executive Non-Independent Director.

### Change in Directorship:

During the year under review, following are the changes in the composition of Board of Directors of the Company:

S. No.	Name of Director	DIN	Designation	Date of Appointment	Date of Cessation
1	Mr. Amit Jain	00041300	Chairman Cum Managing Director	01-10-2002	-
2	Mr. Vijay Kumar Gupta	00995523	Whole-Time Director	15-01-2009	05-10-2020
3	Mr. Pyare Lal Khanna	02237272	Non-Executive Non-Independent Director	30-12-2020	-
4	Mr. Manoj Bishan Mittal	00282676	Non-Executive Independent Director	29-07-2016	-
5	Ms. Charu Jain	03457247	Non-Executive Independent Director	28-05-2019	-
6	Mr. Kunal Singhal	08140142	Non-Executive Non-Independent Director	31-03-2020	-
7	Mr. Anil Arora	08653799	Non-Executive Independent Director	30-12-2019	26-08-2020
8	Mr. Servagaya Jain	00862686	Non-Executive Independent Director	26-08-2020	-

Mr. Anil Arora, Non-Executive Independent Directors and Mr. Vijay Kumar Gupta, Whole-Time Director resigned for the directorship of the Company w.e.f. 26th August, 2020 and 05th October, 2020 respectively.

Further, the Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Mr. Servagaya Jain as an Additional director in the category of Non-Executive Independent Director with effect from 26th August, 2020 who was thereafter regularized to hold office for a term of 5 (five) consecutive years as director in the category of Non-Executive Independent Director by the shareholders in the 53rd Annual General Meeting of the Company.

Further, the Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Mr. Pyare Lal Khanna as an additional director in the category of Non-Executive Non Independent Director in accordance with Section 149 of the Act, with effect from 30th December, 2020. In terms of Section 161 of the Act, Mr. Pyare Lal Khanna holds office up to the date of ensuing Annual General Meeting. The Nomination & Remuneration Committee of the Board hereby recommends the resolution in relation to appointment of Mr. Pyare Lal Khanna as a Non-executive Non-Independent Director for the approval by the members of the

Company. Brief profile of Mr. Pyare Lal Khanna has been given in the Notice convening the Annual General Meeting.

The Company has received declaration from the Independent Directors that they meet the criteria

of independence as prescribed u/s 149(6) of the Companies Act, 2013. In the opinion of the Board, they fulfill the condition for appointment/ re-appointment as Independent Directors on the Board. Further, in the opinion of the Board, the Independent Directors also possess the attributes of integrity, expertise and experience as required to be disclosed under Rule 8(5) (iia) of the Companies (Accounts) Rules, 2014.

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr. Kunal Singhal, Non- Executive, Non-Independent Director retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment. The Board and Nomination & Remuneration Committee recommend his re-appointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting.

Further, the board of Directors on recommendation of Nomination and Remuneration Committee re-



appointed Mr. Amit Jain as Chairman and Managing Director of the Company w.e.f. 01st October, 2020 for a period of 5 consecutive years. The nomination and remuneration committee and board here by recommends the resolution in relation to re-appointment of Mr. Amit Jain as Chairman and Managing Director for the approval of the members in the Annual General meeting of the Company.

#### Directors liable to retire by rotation

Mr. Kunal Singhal is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment.

None of the Directors are disqualified under the provisions of the Companies Act, 2013 except as per MR-3.

#### Key Managerial Personnel

During the year under review, in terms of the provisions of Section 2(51) and 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company were as under: -

- i. Mr. Amit Jain – Chairman cum Managing Director
- ii. Mr. Rattan Lal Aggarwal – Chief Financial Officer (till 01.04.2020)
- iii. Mr. Subodh Kumar Barnwal – Company Secretary
- iv. Mr. Raj Kumar - Chief Financial Officer (w.e.f. 17.07.2020)

#### Changes in Key Managerial Personnel

During the year under review, there is no change in the Key Managerial Personnel (KMP) of the Company in terms of the provisions of Section 2(51) and 203 of the Companies Act, 2013.

However, Mr. Rattan Lal Aggarwal resigned from the designation of Chief Financial Officer w.e.f. 01.04.2020 and Mr. Raj Kumar was appointed as Chief Financial Officer of the Company w.e.f. 17.07.2020.

### 11. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Sub-section (5) of Section 134 of the Companies Act, 2013 with respect to the Director's Responsibility Statement, it is here by confirmed that:

- i. In the preparation of the Annual Accounts for the year ended 31st March, 2021 the applicable accounting standards read with requirements set out under Schedule III of the Act have been followed and no material departures have been made from the same;

- ii. Appropriate Accounting Policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2021 and of the profit of the Company for that year ended on that date except to the extent mentioned in notes to accounts;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Annual Accounts have been prepared on a going concern basis;
- v. The internal financial controls to be followed by the Company had been laid down and that such internal financial controls are adequate and were operating effectively;
- vi. The proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 12. BOARD PERFORMANCE EVALUATION

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees. The Board of Directors was assisted by the Nomination and Remuneration Committee. Some of the performance indicators based on which evaluation takes place are experience, expertise, knowledge and skills required for achieving strategy and for implementation of best governance practices which ultimately contributes to the growth of the Company in compliances with all policies of the Company.

### 13. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 10 (Ten) Board Meetings were duly convened and held. The details of the number of meetings of the Board held during the Financial Year 2020-21 forms part of the Corporate Governance Report.



## 14. COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

- i. Audit Committee
- ii. Nomination and Remuneration Committee
- iii. Stakeholders' Relationship Committee
- iv. Corporate Social Responsibility Committee.

The details of the Committees along with their composition, number of meetings, terms of reference and attendance of members at the meetings are provided in the Corporate Governance Report which forms part of this Annual Report. Further, during the year review, the board has accepted all the recommendations of the Audit Committee.

## 15. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

Your Company has received the necessary declaration from each Independent Director that he/she meets the criteria of Independence as laid out in Section 149(6) of the Companies Act, 2013 read with the Schedules, rules made thereunder and Regulation 25 of SEBI Listing Regulations, 2015.

## 16. NOMINATION AND REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company.

The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment of Key Managerial Personnel / Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates. The above policy has been posted on the website of the Company at <https://cmilimited.in/img/pdf/Nomination%20and%20Remuneration%20Policy-new-2021.pdf>

## 17. VIGIL MECHANISM Cum WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Vigil Mechanism Cum Whistle Blower Policy, framed by

Board of the Company, to deal with instances of fraud and mismanagement, if any. Details of the same are given in the Corporate Governance Report. No employee has been denied to have access to the Chairman of the Audit Committee/Management.

The same has also been displayed on the website of the Company viz: -

<https://cmilimited.in/img/pdf/covid%20manufacturing%20licence-2020%20MD9-new.pdf>

## 18. RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review were on arm's length basis and thus a disclosure in Form AOC-2 in terms of Section 134 of the Act is not required. Further, there are no material related party transactions during the year under review as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company. All related party transactions are mentioned in the notes to the accounts. The Company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such Related Party Transactions.

All Related Party Transactions are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are verified and details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

The Policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company and can be seen at the link [https://cmilimited.in/img/pdf/Policy\\_on\\_Related\\_Party\\_Transactions-new-2021.pdf](https://cmilimited.in/img/pdf/Policy_on_Related_Party_Transactions-new-2021.pdf). None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company except transactions approved by Audit Committee and Board.

## 19. CORPORATE SOCIAL RESPONSIBILITY

In compliance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Board of the Company has formed Corporate Social Responsibility ("CSR") Committee. Details of CSR Committee along with their composition, number of meetings, terms of reference and attendance of members at the meetings are provided in the Corporate Governance Report. The policy on CSR as

approved by the erstwhile Board of Directors is also uploaded on the website of the Company i.e. <https://cmilimited.in/img/pdf/Corporate%20Social%20Responsibility%20Policy.pdf>.

Pursuant to Section 135 of the Companies Act, 2013 read with CSR policy of the Company, it is required to spend two percent of the average net profit of the Company for three immediately preceding financial years. Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, have been annexed as **Annexure -1** and forms integral part of this Report.

## 20. AUDITORS

### a) Statutory Auditor and Auditor's Report

M/s. Krishna Neeraj & Associates, Chartered Accountants, Firm Registration No. 023233N was appointed as the Statutory Auditors of the Company at the 49th Annual General Meeting ('AGM') held on September 28, 2016 for a term of 5 years and they hold office upto the conclusion of the 54th Annual General Meeting of the Company.

Pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 M/s. Krishna Neeraj & Associates, Chartered Accountants, Firm Registration No. 023233N is proposed to be re-appointed as the statutory auditor of the Company for a second term of 5 (five) years to hold office from the conclusion of this (54th) annual general meeting until the conclusion of the 59th Annual General Meeting of the Company.

The Audit Committee and the Board has recommended the ordinary resolution as set out in notice of the 54th AGM taking into account their credentials and also based on the evaluation of the quality of audit work done by the statutory auditors.

There is no audit qualification, reservation or adverse remark for the year under review except a disclosure referred below. Remaining disclosures are self explanatory.

#### Disclosure:

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 within eleven per cent of the net profits computed in the manner laid down in section 198 of the Act. However, the amount paid to the directors including Chairman cum Managing Director is in excess of Rs. 60.24 Lakhs over and above of permissible limit as specified under section 197 read with schedule V of the Act.

#### Board's Comment :

*In this regard, the Company wishes to inform you that pursuant to Section 197(10) read with Schedule V of the Companies Act, 2013, the remuneration paid/payable to the directors was well within the limits prescribed under the Companies Act, 2013. However, during the financial year 2020-21, the Company has earned inadequate profit and remuneration paid to them amounting to Rs. 60.24 Lakhs was in excess of the limits laid down under the provisions of Section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactment(s) thereof for the time being in force) the Company will seek to obtain approval of the said amount by way of a Special Resolution by the Members under Section 197(10) of the Companies Act, 2013 or will take a refund of said amount accordingly.*

### b) Secretarial Auditor and secretarial Auditor Report

Pursuant to provision of Section 204 of the Companies Act, 2013, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board of Directors has appointed M/s Pooja Anand & Associates, Practicing Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2020-21.

The Secretarial Audit Report for FY 2020-21 as submitted by Secretarial Auditor in Form MR-3 is annexed as **Annexure-2**.

There is no secretarial audit qualification for the year under review except:

- i. During the year under review, the appointment Mr. Servagaya Jain as an Independent Director of the Company was held without inclusion of his name in Independent Director's Databank as per Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019. As on March 31, 2021, the Board of the Company was not duly constituted upto that extent.

#### Board's Comment:

*In this regard, the Company wishes to inform you that delay registration is due to inactivation of his account at Independent Database Portal. As informed by the director, several SRN were generated and the matter was resolved by authority and registration has been successfully done. The delay is unintentional and beyond control.*



- ii. During the year under review, the remuneration paid to the directors including Chairman cum Managing Director is in excess of Rs. 60.24 Lakhs over and above of permissible limit as specified under section 197 read with Schedule V of the Companies Act, 2013;

**Board's Comment:**

*In this regard, this is to inform that pursuant to Section 197(10) read with Schedule V of the Companies Act, 2013, the remuneration paid/payable to the directors was well within the limits prescribed under the Companies Act, 2013. However, during the financial year 2020-21, the Company has earned inadequate profit and remuneration paid to them amounting to Rs. 60.24 Lakhs was in excess of the limits laid down under the provisions of Section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactment(s) thereof for the time being in force) the Company will seek to obtain approval of the said amount by way of a Special Resolution by the Members under Section 197(10) of the Companies Act, 2013 or will take a refund of said amount accordingly.*

- iii. During the year under review, annual disclosure was not given for the financial year ended March 31, 2020 as required under regulation 31(4) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

**Board's Comment:**

*In this regard, the Company wishes to inform you that the Company has not received the same from promoter due to COVID-19 pandemic on going in the country. Further, to inform that the promoter of the Company has not made any encumbrance on equity shares of the Company as on 31st March, 2021.*

**c) Cost Auditor**

In terms of Section 148 of the Act, the Company is required to maintain cost records and have the audit of its cost records conducted by a cost accountant. Cost records are made and maintained by the Company as required under Section 148(1) of the Act. The Board of Directors at its meeting held on 17th July, 2020 appointed M/s Ajay Kumar Singh & Co (Firm Registration Number 000386), Cost Auditors to conduct the Cost Audit for the Financial Year 2020-2021.

For the financial year ending 31st March, 2022, the Board of Directors of the Company has, on the recommendation of the Audit Committee, approved the appointment of M/s Ajay Kumar Singh & Co as the cost auditors of the Company. M/s Ajay Kumar Singh & Co, Cost Accountants have vast experience in the field of cost audit.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the members of the Company.

Accordingly, an appropriate resolution for the proposed remuneration of Rs. 55,000 per annum plus applicable taxes and out-of-pocket expenses payable to the cost auditors for the Financial Year ending 31st March, 2022, forms part of the notice of ensuing Annual General Meeting for ratification.

## 21. OTHER INFORMATION

**a) Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government.**

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

**b) Stock Options Scheme**

The Company does not have any Scheme of Stock Option for its employees, Directors etc.

**c) Disclosure under Section 43(a)(iii) and Section 54(1)(d) of the Companies Act, 2013**

During the year under review, the Company has not issued any shares with differential voting rights and sweat equity shares and hence, no information as required under Section 43(a)(iii) & Section 54(1)(d) of the Companies Act, 2013 read with applicable rules is required to be disclosed.

**d) Risk Management**

The Board/ management is continually reviewing the Risk management framework of the Company. The Company regularly put in place a suitable enterprise risk management framework for identifying and evaluating risks and opportunities that may have bearing on the organization. The Company recognises that these risks need to be



managed and mitigated to protect the shareholders and other stakeholders interest.

**e) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo**

In accordance with Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014, as amended, the information on conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed as **Annexure - 3** hereto and forms an integral part of this Report.

**f) Particulars of Employees and Related Disclosures**

Disclosures pertaining to remuneration and other details of the employees as required under Section 197(12) of the Companies Act 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are annexed to this report as **Annexure -4**.

**g) Extract of Annual Return**

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return as at 31st March, 2021 on its website at <https://cmilimited.in/investors/extract-of-annual-report>. By virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's report.

**h) Management Discussion & Analysis Report**

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is provided in a separate section and forms an integral part of this Report.

**i) Particulars of Loans, Guarantees or Investments under Section 186**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the note no 9 & 10 to the Financial Statements.

**j) Corporate Governance Report**

The Company has complied with requirements of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on the Corporate Governance practices followed by the Company, together with a certificate from the Practicing Company Secretary regarding compliance are given as an **Annexure-5** to this report.

**k) Cost Records**

As per the requirement of Central Government and pursuant to provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended from time to time, audit of cost records of the Company is being carried out. The Board of Directors, on recommendation of Audit Committee, has appointed M/s Ajay Kumar Singh & Co., Cost Accountants, as Cost Auditor to audit the cost records and accounts relating to cable manufacturing for the financial year ending 31st March, 2022. As per the requirement of the aforesaid section, a resolution ratifying remuneration payable to Cost Auditors forms part of the Notice convening the 54th Annual General Meeting.

Your Company has maintained cost records and accounts as per Section 148 (1) of the Companies Act, 2013. Further, the Cost Audit Report along with annexure for FY 2019-20 was approved by board of Directors on 30th September, 2020.

**l) Disclosure under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has laid down Anti Sexual Harassment policy on Gender Equality, Gender Protection, Prevention of Sexual Harassment and Redressal System in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, Apprenticeship) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed of during the year under review-

- No. of complaints received: Nil
- No. of complaints disposed of: NA
- No. of Complaints at the end: NIL

**m) Secretarial Standards**

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively.

**22. CAUTIONARY NOTE**

Certain Statements in the 'Management Discussion and Analysis' section may be forward-looking and are





stated as required by applicable laws and regulations. Many factors may affect the actual results, which would be different from what the Directors envisage in terms of the future performance and outlook. Investors are cautioned that this discussion contains forward looking Statement that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, dependence on certain businesses, dependence on availability of qualified and trained manpower and other factors discussed. The discussion and analysis

should be read in conjunction with the Company's financial statements and notes on accounts.

### 23. ACKNOWLEDGEMENT

The Directors wish to place on record their gratitude to the Authorities, Banks, Business Associates and Shareholders for their unstinted support, assistance and co-operation. The Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment.

By order of the board  
For **CMI Limited**

Sd/-  
**(Amit Jain)**

Chairman cum Managing Director  
DIN: 00041300

Place: New Delhi  
Date: 31<sup>st</sup> August, 2021

**ANNEXURE-1**
**ANNUAL REPORT ON  
CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES**

- A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs-**

In pursuance of Section 135 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013, the Company framed CSR policy as a part of good Corporate philanthropy, which extends demonstrating care for the community through its focus on education & skill development, health & wellness and environmental sustainability including biodiversity, energy & water conservation.

The Company diligently volunteers and undertakes the objective as per the policy with the view of providing support to the marginalized cross section of the society through facilitation of opportunities carving the path for improved quality of life.

The detailed CSR Policy is available on the website of the Company i.e at <https://cmilimited.in/img/pdf/Corporate%20Social%20Responsibility%20Policy.pdf>

- The Composition of the CSR Committee**

The CSR committee is formed in accordance with the provisions of Section 135 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and accordingly its constitution comprises of following eminent and professional members who conceptualizes, structures, directs the implementation of CSR activities.

As on 31st March, 2021, Composition of CSR committee includes as under:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Manoj Bishan Mittal Chairman	Non- Executive Independent Director	1	0
2	Mr. Pyare Lal Khanna* Member	Non- Executive Non-Independent Director	1	1
3	Ms. Charu Jain Member	Non- Executive Independent Director	1	1

*Mr. Vijay Kumar Gupta resigned from the directorship of the Company on 05.10.2020. CSR committee of the board was reconstituted on 30.12.2020. Mr Pyare Lal Khanna was appointed as Non- Executive Non-Independent Director of the Company and Member of CSR Committee w.e.f. 30.12.2020.*

- The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.: <https://cmilimited.in/img/pdf/Corporate%20Social%20Responsibility%20Policy.pdf>**
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). : Not Applicable for the financial year under review.**
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
N. A.	N. A.	N. A.	N. A.


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

	F. Y. 2017-18	F.Y. 2018-19	F.Y. 2019-20
Net Profit as per section 198 of the Companies Act, 2013	3,942.49	4146.52	1058.34
Average Net Profit	3049.12		

7. A. Two percent of average net profit of the company as per section 135(5): Rs. 60.98 Lakhs.  
 B. Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : NIL  
 C. Amount required to be set off for the financial year, if any: NIL

Total CSR obligation for the financial year (7a+7b-7c) : Rs. 60.98 lakhs

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

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

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

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
			State	District						Name	CSR Registration number
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.	Cl(i), Cl(ii), Cl(iii), Cl(iv) and Cl(xii)	Yes	Delhi and other parts of country	61.05 Lakhs	Yes	NA	NA	
2	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.								
3	Disaster management, including relief, rehabilitation and reconstruction activities								

(d) Amount spent in Administrative Overheads: NA

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 61.05 Lakhs

(g) Excess amount for set off, if any

Sl. No	Particular	Amount (in Rs.)
1	Two percent of average net profit of the company as per section 135(5)	N.A.
2	Total amount spent for the Financial Year	
3	Excess amount spent for the financial year [(ii)-(i)]	
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	

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

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

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

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount Allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed/ Ongoing
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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

- Date of creation or acquisition of the capital asset(s). - Not Applicable
- Amount of CSR spent for creation or acquisition of capital asset. - Not Applicable
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - Not Applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).- Not Applicable

By order of the board  
For **CMI Limited**

Sd/-  
**(Amit Jain)**

Chairman cum Managing Director  
DIN: 00041300

Sd/-  
**(Manoj Bishan Mittal)**

Chairman of CSR Committee  
DIN: 00282676

Place: New Delhi  
Date: 31<sup>st</sup> August, 2021



## ANNEXURE-2

## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013, and rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

**CMI LIMITED**

PD-II, Jhilmil Metro Station,  
Jhilmil Industrial Area,  
Delhi-110095

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CMI Limited (hereinafter called the Company/ CMI) CIN: L74899DL1967PLC018031 and having registered office at PD-II, Jhilmil Metro Station, Jhilmil Industrial Area, Delhi-110095. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the CMI's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Minute books, forms and returns filed, registers and other records maintained by CMI Limited ("the Company") for the financial year ended on 31st March, 2021 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder including amendments thereof;
- 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, 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 (Not applicable to the Company during the Audit Period);
  - d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
  - e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);
  - i) The Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
  - j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (Not applicable to the Company during the Audit Period);
- vi. Applicable provisions of The Factories Act, 1948
- vii. Air (Prevention & Control of pollution) Act, 1981, Water (Prevention & Control of pollution) Act, 1974,



Environment (Protection) Act, 1986, The Noise Pollution (regulation and control) Rules, 2000

- viii. Provision of EDLI Scheme 1976 of the Employees Provident Fund and Miscellaneous Provisions Act 1952 and The Employees State Insurance Act, 1948
- ix. Payment of Gratuity Act, 1972

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements/Regulations entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. During the year under review, the appointment Mr. Servagaya Jain as an Independent Director of the Company was held without inclusion of his name in Independent Director's Databank as per Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019. As on March 31, 2021, the Board of the Company was not duly constituted upto that extent.
2. During the year under review, the remuneration paid to the Directors is in excess of Rs. 60.24 Lakhs over and above of permissible limit as specified under section 197 read with Schedule V of the Companies Act, 2013.
3. During the year under review, annual disclosure was not given for the financial year ended March 31, 2020 as required under regulation 31(4) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors along with the appointment of woman director during the financial year ended 31.03.2021. 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.

All decision at the Board and Committee Meetings are carried out unanimously as recorded in the minutes of respective meeting.

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

**We further report that** during the audit period,

1. The Board of Directors of the Company at their meeting held on 16th February, 2021 has allotted 10,00,000 Equity Shares @ Rs.50/-per equity share (including premium of Rs40/- per share), to non-promoter, on a preferential basis in accordance with provisions specified in SEBI (ICDR) Regulations, 2018. The Company has got Listing approval from NSE vide its letter NSE/LIST/26260 on 1st April, 2021 and from BSE vide its letter DCS/PREF/PB/FIP/1146/2021-22 on 6th April, 2021. The trading approvals from BSE and NSE were obtained on 15th April, 2021.

For **Pooja Anand & Associates**  
**Company Secretaries**

Sd/-  
**(Mukul Tyagi)**  
 Company Secretary  
 M.No. F9973  
 CP No.: 16631  
 UDIN: F009973C000835743

Place: New Delhi  
 Date: 26<sup>th</sup> August, 2021



## ANNEXURE-3

## PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER COMPANIES (ACCOUNTS) RULES, 2014

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2020 is given below and forms part of the Directors' Report.

### A) Conservation of Energy:

#### a) Energy conservation measures/steps taken:-

A number of energy conservation techniques were initiated and successfully implemented which helped in improving efficiency levels.

Some of the key initiatives were as follows:-

In the existing manufacturing units the Company continued various initiatives to conserve/reduce environmental impact, by adapting to green manufacturing and concept of "Reduce, Reuse and Recycle" viz.

- Efficient Maintenance and daily monitoring of Capacitor Bank for improvement of Power Factor.
- Replacing energy inefficient equipments with new technologies which are efficient with AC Drives.

#### b) The capital investment on energy conservation equipments or any other Additional investments and proposals, if any, being implemented for reduction of consumption of energy:-

No material capital investment on energy conservation equipments or any other investment was made for reduction of consumption of energy during the Financial Year and no separate records were kept for costs incurred on proper maintenance of all machineries and Equipments.

#### c) Impact of measures on (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:-

- The energy conservation measures maintained during the year have resulted into yearly saving and thereby lowered the cost of production by equivalent amount. These measures have also led to better pollution control, reduced maintenance time and cost, improved hygienic

condition and consistency in quality and improved productivity.

### B) Technology Absorption, Adaptation & Innovation

#### i. Efforts, in brief, made towards technology absorption, adoption and innovation

##### Energy Conservation, up gradation in manufacturing and Efficiency improvement

- Use of energy efficient LED and CFL lamps in whole plant
- Recycling the vacuum Pump cooling water for environment saving.
- Company now updated with the manufacturing of all types of cables
- New and upgraded technology has been followed for energy conservation.

#### ii. Benefits derived as a result of the above efforts

- Reduction in power usage and thereby reducing cost of production.
- Environmental saving.
- Improved efficiency and productivity.
- Cost and time saving.

### C) Research and Development

Specific areas in which R&D carried out by the Company	Product Development and process improvement
Benefits derived as a result of the above R&D	The company can manufacture all types of cables in the area in which it operates.
Future plan of action	Technology Upgradation
Expenditure on R&D	Capital Expenditure: NIL Recurring Expenditure: Rs. 9.89 Lakhs

### D) Foreign Exchange Earnings and Outgo:

#### i. Activities relating to export, initiative to increase exports, Development of New export markets for Products and Services and Export Plan.

The Company has continued to maintain its focus and availed export opportunities based

on economic considerations. The Company is continuously exploring new international markets and has exported sample orders. During the year the Company has exports worth Rs. 366.97 Lakhs from export of Cables in FY 2020-21. However, in the previous year exports was of Rs. 922.29 Lakhs.

**ii. Total Foreign Exchange Expenditure:**

a.	CIF value of imports	FY 2020-21	FY 2019-20
		NIL	Rs. 388.39 Lakhs

## ENVIRONMENTAL REVIEW

The Company has a defined environmental policy which

is being followed rigorously by one and all across the organization. There were no environmental issues at the CMI plant and the statutory compliance was in line with Governmental requirements.

The Pollution Control parameters as defined by the State Pollution Control Board were totally adhered to and effluent discharge levels were well within the prescribed limits. Air pollution has been tested and was in line with the requirement. Noise pollution level was contained by fixing all the generators in sound proof acoustic enclosures.

## INDUSTRIAL RELATIONS

The Company has taken various steps to improve productivity across organization. Industrial relations remained harmonious at the manufacturing unit of CMI.

By order of the board  
For **CMI Limited**

Sd/-  
**(Amit Jain)**

Chairman cum Managing Director  
DIN: 00041300

Place: New Delhi  
Date: 31<sup>st</sup> August, 2021



## ANNEXURE-4

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AS AMENDED**

Required Disclosures are as under:

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company, the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year 2020-21 and percentage increase in the median remuneration of employees in the financial year 2020-21:

(Amount Rupees in Lakhs)

Sr. No.	Name & Designation of Director/KMP	Remuneration of Director / KMP for financial year 2020-21 (Amount in Lakhs)	Ratio of remuneration of each Director/ KMP to median remuneration of employees	% increase in Remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary	% increase in the median remuneration of employees in the financial year 2020-21
1	Mr. Amit Jain Chairman cum Managing Director	55.02	17.08	No Increase	4.54
2	Mr. V.K. Gupta Whole Time director	5.22	1.62	No Increase	
3	Mr. Subodh Kumar Barnwal Company Secretary	8.74	2.71	No Increase	
4	Mr. Raj Kumar CFO	4.46	1.38	No Increase	

2. The median remuneration of employees of the Company was Rs. 3.22 lakh p.a.

- i. For this purpose, Sitting Fees if any, paid to the Directors have not been considered as remuneration.
- ii. Figures have been rounded off wherever necessary.

The number of permanent employees on the roll of the Company	127
Average Increase/ (decrease) in the salaries of employees other than the managerial personnel in FY 2020-21.	(5.88) %
Comparison with the percentile increase in the managerial remuneration and justification thereof.	No increase
The key parameters for any variable component of remuneration availed by the directors.	Nil
Affirmation that Remuneration paid by the Company is as per the Remuneration policy of the company	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**Note:**

- i. No employee of the Company was in receipt of remuneration in excess of Rs. 1.02 crores per annum and there was no employee who were employed part of the year and in receipt of more than Rs. 8.50 lac per month during the financial year 2020-21 except as referred below.

Name and Designation	Total Remuneration	Nature of Employment	Qualification	Experience (in years)	Date of commencement of employment in the Company	Age (in years)	Last Employment held before joining the Company
Amit Jain Chairman & Managing Director	55.02	Permanent	Graduate	28 years	01/10/2002	48 years	NA

- ii. Remuneration includes basic salary, allowances, leave travel allowances, company's contribution to provident fund and other allowances, reimbursements & perquisites given to employees.
- iii. The appointment of the above employees is non-contractual and are governed by the Company policy and rules.
- iv. Employee does not hold by himself or along with his/her spouse and dependent children, 2% or more of equity shares of the Company.

By order of the board  
For **CMI Limited**

Sd/-  
**(Amit Jain)**

Chairman cum Managing Director  
DIN: 00041300

Place: New Delhi  
Date: 31<sup>st</sup> August, 2021





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# CORPORATE **GOVERNANCE REPORT**

**ANNEXURE-5**
**CORPORATE GOVERNANCE REPORT**

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2021, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

**1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Effective corporate governance practices constitute the strong foundations on which successful commercial enterprises are built to last. These practices are categorized through principle based standards and not just through a framework enforced by Regulation. It develops through adoption of ethical practices in all of its dealings with a wide group of stakeholders encompassing regulators, employees, shareholders, customers and vendors.

The Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Corporate Governance practices followed by the Company are compatible with international standards and best practices. Through the Governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making. The long term strategic objectives and the Code of Conduct which articulate the values, ethics, and business principles and serve as a guide to the Company, its Directors and Employees and an appropriate mechanism to report any concern pertaining to non-adherence to the said Code and addressing the same are also in place. The Company is in full compliance with the requirements of Corporate Governance under Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Risk Management and internal control functions have been geared up to meet the progressive governance standards.

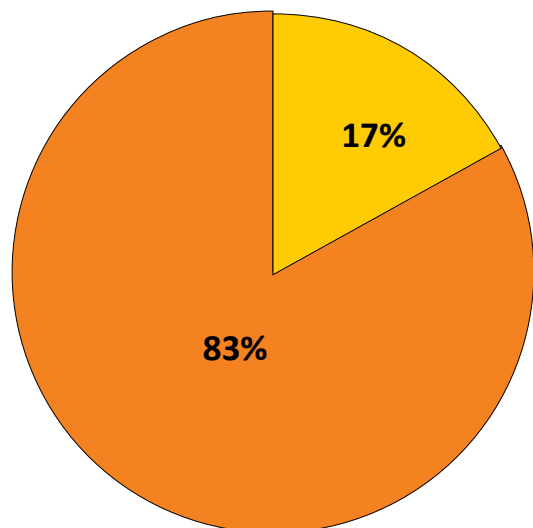
**2. BOARD OF DIRECTORS**

The Board is entrusted with an ultimate responsibility of the Management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance,

objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

**A) Composition**

The composition of Board of Directors of the Company is balanced one, comprising Executive and Non- Executive Directors and the latter including independent, professionals and a woman Director. The Chairperson of the Board is an Executive Director pursuant to which half of Board constitutes of Independent Directors. The Company also complies with the provision of Section 149 read with Rule 3 of the Companies (Appointment and Qualification of Directors) along with the provisions of Regulation 17 of SEBI (LODR), 2015 and accordingly, its Board members comprises one Women Director.

**Composition of Board**


■ Executive Director ■ Non-Executive Director

The details of each member of the Board along with the number of Directorship/Committee Membership in other Companies, as at 31st March, 2021 are as follows:



Name of directors	Category	Designation	No. of Directorships in other Indian Public Limited Companies	No. of Committee Memberships and Chairmanship in other Companies		List of Directorship held in Other Listed Companies and Category of Directorship	Number of shares and convertible instruments held by non-executive directors
				Chairman	Member		
Mr. Amit Jain DIN 00041300	Promoter Executive	Chairman cum Managing Director	NIL	NIL	NIL	NIL	5147995
Mr. Manoj Bishan Mittal DIN 00282676	Non- Executive Independent	Director	1	NIL	NIL	NIL	85075
Ms. Charu Jain DIN 03457247	Non- Executive Independent	Director	NIL	NIL	NIL	NIL	10530
Mr. Kunal Singhal DIN 08140142	Non- Executive Non- Independent	Director	1	NIL	NIL	NIL	NIL
Mr. Servagaya Jain DIN 00862686	Non- Executive Independent	Director	NIL	NIL	NIL	NIL	NIL
Mr. Pyare Lal Khanna DIN 02237272	Non- Executive Non- Independent	Additional Director	NIL	NIL	NIL	NIL	NIL

**Notes:**

- The Committees considered for the purpose are those prescribed under Regulation 26 of the SEBI LODR Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies (excluding CMI Limited).
- Directorship in other Companies excludes Private Limited Companies, Foreign Companies and Membership of Companies under Section 8 of the Companies Act, 2013.
- Mr. Vijay Kumar Gupta, Whole time Director resigned from the directorship of the Company w.e.f. 05th October, 2020.
- Mr. Anil Arora was appointed as Additional Director in the category of Non-Executive Independent Director w.e.f. 30th December, 2019 and thereafter resigned from the directorship of the Company w.e.f. 26th August, 2020.
- Mr. Pyare Lal Khanna was appointed as Additional Director in the category of Non-Executive Non-Independent Director w.e.f. 30th December, 2020
- Mr. Servagaya Jain was appointed as Additional Director in the category of Non-Executive Independent Director w.e.f. 26th August, 2020 and thereafter regularized as Non-Executive Independent Director in the 53rd AGM held for the FY 2019-20
- Mr. Amit Jain was reappointed as Managing Director of the Company in the board meeting held on 30th September, 2020 for a period of 5 (five) years with effect from 01st October, 2020, subject to approval of Shareholders.

As on the date of report, the Board of Directors consists of the following Directors:

1. Mr. Amit Jain
2. Mr. Manoj Bishan Mittal
3. Mr. Servagaya Jain
4. Mr. Pyare Lal Khanna
5. Ms. Charu Jain
6. Mr. Kunal Singhal

#### B) Attendance of Directors

The details of attendance of Directors at the Board Meetings and Annual General Meeting held during the year ended 31st March, 2021 are given below:

Name	Number of Meetings during the year 2020-21		Whether attended AGM held on 29th September, 2020
	Held	Attended	
Mr. Amit Jain	10	10	YES
Mr. Vijay Kumar Gupta*	4	4	YES
Mr. Manoj Bishan Mittal	10	1	YES
Ms. Charu Jain	10	9	NO
Mr. Servagaya Jain	9	7	NO
Mr. Anil Arora*	2	2	NA
Mr. Kunal Singhal	10	10	NO
Mr. Pyare Lal Khanna	4	3	NA

\* Mr. Vijay Kumar Gupta, Whole time Director resigned from the directorship of the Company w.e.f. 05th October, 2020.

\* Mr. Anil Arora was appointed as Additional Director in the category of Non-Executive Independent Director w.e.f. 30th December, 2019 and thereafter resigned from the directorship of the Company w.e.f. 26th August, 2020.

C) During the year, 10 (Eight) meeting of Board of Directors were held on 17.07.2020, 26.08.2020, 15.09.2020, 30.09.2020, 12.11.2020, 30.12.2020, 09.02.2021, 10.02.2021, 12.02.2021, 15.03.2021.

D) There is no relationship between directors inter-se.

E) All Independent Directors are familiarized with their roles, rights and responsibilities towards the Company and with the industry norms enabling them to understand the Business model as per the varied competitive environment in which the Company operates. Further, to enhance the growth, the consistent efforts are made by the Company to acquaint them with the overall performance of the Company by making provision for co-ordination in each and every segment and department of the Company. The details of the familiarization programme of the Independent Directors are available on the website of the Company <https://cmilimited.in/img/pdf/POLICY%20ON%20>

FAMILIARIZATION%20PROGRAMS%20FOR%20INDEPENDEN%20DIRECTORS-2021.pdf

F) Core Skills/Expertise/Competencies of Board of Directors:

As stipulated under Schedule V of the SEBI Listing Regulations, core skills/expertise/competencies, as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

Below are the key skills/expertise/competence identified by the Board of Directors

- i. Strategic vision
- ii. Leadership
- iii. Industry knowledge
- iv. Corporate governance



- v. Research and innovation
- vi. Financial analysis and reporting
- vii. Global landscape
- viii. Risk management
- ix. Social and regulatory framework
- x. Human capital and integrity
- xi. Science and technology

**Expertise/ Skill of Directors:**

Name of directors	Designation / Category	Strategy & Planning	Administration & Management	Governance	Sales & Marketing	Finance & Law	Operations
Mr. Amit Jain	Managing Director	√		√	√	√	√
Mr. Pyare Lal Khanna	Non- Executive Non-Independent Director	√			√		√
Mr. Manoj Bishan Mittal	Non- Executive Independent Director	√				√	
Ms. Charu Jain	Non- Executive Independent Director	√	√	√		√	
Mr. Servagaya Jain	Non- Executive Independent Director		√			√	√
Mr. Kunal Singhal	Non- Executive Non-Independent Director	√	√	√			√

**G)** All the Independent Directors fulfill the criteria of being independent as mentioned under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with Section 149(6) of the Companies Act, 2013. The maximum tenure of Independent Directors is determined in accordance with the Companies Act, 2013. The Independent Directors have also confirmed that they meet with the criteria of independence laid down under the provisions of Companies Act, 2013 and the SEBI Listing Regulations, 2015.

**H)** During the year under review, there are following changes in the directorship of the Company:

Mr. Anil Arora, Independent Director of the Company has resigned from the directorship due to personal commitments & preoccupation w.e.f. 26th August, 2020. He further confirmed vide resignation letter dated 26th August, 2020 that there is no other material reasons other than specified above.

Mr. Servagaya Jain was appointed as Additional Director in the category of Non-Executive

Independent Director w.e.f. 26th August, 2020 and thereafter regularized as Non-Executive Independent Director in the 53rd AGM held for the FY 2019-20

On 05th October, 2020, Mr. Vijay Kumar Gupta, Whole Time Director of the Company resigned from the directorship of the Company.

Mr. Pyare Lal Khanna was appointed as Additional Director in the category of Non-Executive Non-Independent Director w.e.f. 30th December, 2020, subject to approval of shareholders in the General Meeting.

Mr. Amit Jain was reappointed as Managing Director of the Company in the board meeting held on 30th September, 2020 for a period of 5 (five) years with effect from 01st October, 2020, subject to approval of Shareholders.

**I)** The necessary quorum was present for all the meetings.

**J)** None of the Non- Executive directors have any material pecuniary relationship or transactions with the Company.



- K)** None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2021 have been made by the Directors. None of the Directors are related to each other.
- L)** During the financial year 2020-21, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

**i. MEETINGS OF INDEPENDENT DIRECTORS**

In terms of Schedule IV of the Companies Act, 2013 and as per Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015 the Independent Directors have to meet at least once in a year, without the presence of Executive Directors or Management representatives.

**RETIREMENT OF DIRECTOR BY ROTATION, RE-APPOINTMENT AND NEW APPOINTMENT OF DIRECTOR**

Brief resume of Directors being reappointed, nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership of the committees of the Board are furnished hereunder:

**Mr. Kunal Singhal, retires by rotation at the 54th Annual General Meeting of the Company and being eligible offers himself for re-appointment.**

Mr. Kunal Singhal has done Bachelor of Business Administration from Reputed University of U.P. He has an excellent academic and professional record. He is a Business Executive having experience of more than 5 years in the field of strategic planning, marketing and restructuring of business operations. His modern and dynamic approach towards business will help in achieving focused goals

**Mr. Pyare Lal Khanna was appointed as additional Director in the category of Non-Executive Non-Independent Director w.e.f. 30th December, 2020 upto the ensuing general meeting. Regularization of Mr. Pyare Lal Khanna is proposed in the notice of 54th AGM of the Company.**

Mr. Pyare Lal Khanna, aged 73, has more than 40 years of rich experience in the Metal industry. He is a prominent and successful Industrialist with a wide and varied experience in the management of business and industry.

In the opinion of the Board, Mr. Pyare Lal Khanna

fulfils the conditions specified in the Companies Act, 2013, rules made there under read with the listing regulations provisions for his appointment as Non-Executive Non-independent director of the company.

**Mr. Amit Jain was reappointed as Managing Director of the Company in the board meeting held on 30th September, 2020 for a period of 5 (five) years with effect from 01st October, 2020, subject to approval of Shareholders. Reappointment of Mr. Amit Jain is proposed in the notice of 54th AGM of the Company**

Mr. Amit Jain is a well-qualified person and is a prominent and successful Industrialist with a wide and varied experience in the management of business and cable industry.

In the opinion of the Board, Mr. Amit Jain fulfils the conditions specified in the Companies Act, 2013, rules made there under read with the listing regulations provisions for his re-appointment as Managing Director of the company.

**3. COMMITTEES OF THE BOARD**

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

The Board has constituted Four Committees of the Board – the Audit Committee, the Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. The role and composition of these Committees, including the number of the meetings held are as follows:

**A) AUDIT COMMITTEE**

**i. The brief Description of Charter/terms of reference of Audit Committee is broadly as under:**

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- Efficiency and effectiveness of the operations;
- Safeguarding of the assets;



- Reliability of financial and other management information;
- Compliance with relevant national laws and regulations;

**The Audit Committee is empowered, pursuant to these terms of reference, inter alia, to:**

- Investigate any activity within its terms of reference and to seek information from any employee;
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

**The Audit Committee is entrusted with the responsibility to supervise the company's financial control and reporting processes and inter alia perform the following functions:**

- Overseeing the Company's financial reporting processes and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending appointment and removal of statutory auditors, fixation of audit fee and approval of payment of fees for any other services.
- Reviewing with the management, the periodical financial statements before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices;
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Companies Act, 2013;
  - Qualifications in the draft audit report, if any;
  - Significant adjustments arising out of audit;
  - Compliance with legal requirements concerning financial statements;
  - Related party transactions ;
  - Scrutiny of inter corporate loans and advances;
  - Approval of appointment of CFO or any other person heading Finance function after assessing the qualification, experience and background etc of the candidate.
- Reviewing with the management, statutory and internal auditors, the adequacy of internal control systems and recommending

improvements to the management;

- Reviewing with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purpose other than those stated in the offer document/prospectus, notice and report submitted by the monitoring agency monitoring the utilization of the proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing the adequacy of the Internal audit function, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audits ;
- Reviewing reports of internal audit and discussion with internal auditors on any significant findings and follow up thereon ;
- Reviewing the findings of any internal investigations by the internal auditors and the executive management's Response on matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors, before the audit commences, on nature and scope of audit as well as after conclusion of audit to ascertain any areas of concern and review the comments contained in their management letter ;
- Reviewing the Company's financial and risk management policies ;
- Looking into the reasons for substantial defaults, if any, in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Considering such other matters as may be delegated by Board from time to time.

**ii. Composition and Attendance of Audit Committee**

The Audit Committee comprises all Non- Executive Independent Directors. Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulation.

All members of the committee are financially literate and two members have accounting and financial expertise.

The Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on 29th September, 2020 to answer Shareholder's queries.

The names of the members of the Audit Committee, including its chairman is as under:

Name	Category	Number of Meetings during the year 2020-21	
		Held during tenure of Member/Chairman	Attended
Mr. Manoj Bishan Mittal (Chairman)	Non- Executive Independent director	9	0
Ms. Charu Jain	Non- Executive Independent director	9	9
Mr. Anil Arora*	Non- Executive Independent director	2	2
Mr. Servagaya Jain*	Non- Executive Independent director	7	7

\* The Board of Directors reconstituted the audit committee vide resolution passed on 26th August, 2020 and appointed Mr. Servagaya Jain as member in place of Mr. Anil Arora.

Nine Audit Committee Meetings were held during the year 2020-21. The dates on which the said meetings were held

are as follows:

17.07.2020, 26.08.2020, 15.09.2020, 30.09.2020, 12.11.2020, 30.12.2020, 06.01.2021, 12.02.2021, 15.03.2021

As on 31st March, 2021, the Composition of Audit Committee comprises of the following members:

Name	Category
Mr. Manoj Bishan Mittal, Non-Executive, Independent Director	Chairman
Mr. Servagaya Jain, Non-Executive, Independent Director	Member
Ms. Charu Jain, Non-Executive, Independent Director	Member

### Internal Controls and Governance Processes

The reconstituted Board / Management believe that the Company has effective internal control systems and policies. Post the acquisition, the reconstituted Board/Management is in the process reviewing the internal controls framework with an objective to have a best in class internal control and of putting/revamping a framework for internal controls commensurate with the size, scale and nature of business.

### iii. Risk Management

The Board/ management are continuously reviewing the Risk management framework of the Company. The Company regularly put in place a suitable enterprise risk management framework for

identifying and evaluating risks and opportunities that may have bearing on the organization. The Company recognizes that these risks need to be managed and mitigated to protect the shareholders and other stakeholder interest.

### B) NOMINATION AND REMUNERATION COMMITTEE

The Company has Nomination and Remuneration Committee, in line with the requirements of the Companies Act, 2013 and as per Regulation 19 of SEBI LODR, Regulations, 2015, as amended from time to time.

The Nomination and Remuneration Committee of the Board, inter alia, recommends to the Board of Directors, the compensation terms of Executive Director. It also recommends successions and appointments for the membership of the Board and the senior management.

#### i. Functions

- i. The broad terms of reference of the Remuneration Committee are as under:
  - To approve the annual remuneration plan of the Company regarding Executive Director;
  - To approve the remuneration and commission/incentive payable to the Executive Directors for each financial year;
  - To approve the remuneration and annual performance bonus payable to the Executive Director of the Company for each financial year;



- Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve;
- Identify persons who are qualified to become directors and who may be appointed in senior management; (Functional Heads are covered in Senior Management);
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and the Board;
- Recommend to the Board their appointment and removal;
- Recommend to the Board a policy, relating to the remuneration of the Director, Key Managerial Personnel and other employees;
- Carry out evaluation of every director's performance;

## ii. Composition

As on 31st March, 2021, the Nomination and Remuneration committee comprises of 3 Non-Executive Independent Directors. The composition of the Nomination and Remuneration Committee and the details of meeting attended by its members are given below:

Name	Category	Number of Meetings during the year 2020-21	
		Held	Attended
Mr. Manoj Bishan Mittal (Chairman)	Non- Executive Independent Director	5	0
Ms. Charu Jain (Member)	Non- Executive Independent Director	5	5
Mr. Anil Arora (Member)*	Non- Executive Independent Director	2	2
Mr. Servagaya Jain (Member)*	Non- Executive Independent Director	3	3

\* The Board of Directors reconstituted the Nomination and Remuneration committee vide resolution passed on 26th August, 2020 and appointed Mr. Servagaya Jain as member in place of Mr. Anil Arora.

Five Nomination & Remuneration Committee Meetings were held. The dates on which the said meetings were held are as follows:

17.07.2020, 26.08.2020, 30.09.2020, 12.11.2020, 30.12.2020

As on 31st March, 2021, the Composition of Nomination & Remuneration Committee comprises of the following members:

Name	Category
Mr. Manoj Bishan Mittal, Non-Executive, Independent Director	Chairman
Mr. Servagaya Jain, Non-Executive, Independent Director	Member
Ms. Charu Jain, Non-Executive, Independent Director	Member

The Necessary Quorum was present at the meetings.

## iii. Remuneration Policy

The Company's Nomination and Remuneration Policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performances of the individuals are measured through the annual appraisal process.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) to the Executive Directors. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective from April 1, each year. The Remuneration Committee decides on the commission payable to the Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Companies Act, 2013, based on the performance of the Company as well as that of the each Executive Director.

The Company firmly believes in attracting and retaining high caliber talent. The remuneration policy, therefore, takes into account the competitive circumstances so as to attract & retain quality talent.

No sitting fee is paid to any Director.

Details of Remuneration of Directors and Key Managerial Personnel (KMP) for the financial year ending 31st March, 2021:

(In Rs.)

Elements of Remuneration during the F.Y. 2020-21	Basic Salary	HRA	Conveyance Allowance	Medical Allowance	Total
Mr. Amit Jain (Chairman & Managing Director)	28,87,651.64	14,43,825.83	7,21,912.92	4,48,994.61	55,02,385.00
Mr. Vijay Kumar Gupta# (Whole-time Director)	3,26,250.00	1,30,500.00	-	65,250.00	5,22,000.00
Mr. Subodh Kumar Barnwal (Company Secretary)	4,59,994.86	2,30,002.86	1,15,001.43	69,000.84	8,73,999.99
Mr. Rattan Lal Aggarwal* (Chief Financial Officer)	7,75,000.00				7,75,000.00
Mr. Raj Kumar (Chief Financial Officer)	3,29,655.73	1,31,866.67	82,419.39	32,961.21	5,76,903.00
<b>Total</b>	<b>47,78,552.23</b>	<b>19,36,195.36</b>	<b>9,19,333.74</b>	<b>6,16,206.66</b>	<b>82,50,287.99</b>

\*Mr. Rattan Lal Aggarwal resigned from the position of the Chief Financial Officer of the Company w.e.f. 01st April, 2020 and Mr. Raj Kumar was appointed as Chief Financial Officer of the Company w.e.f. 17th July, 2020.

# Mr. Vijay Kumar Gupta resigned from the directorship of the Company w.e.f. 05th October, 2020

iv. The Company does not have any Stock Option Scheme for its employees and Directors.

v. Non-Executive Directors have not been paid any remuneration. Further, there has been no pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company during the financial year 2020-21.

**vi. Stock Option Scheme:**

The Company does not have any Stock Option Scheme for its employees and Directors.

**vii. Performance Evaluation Criteria for Independent Directors:**

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

**C) STAKEHOLDERS RELATIONSHIP COMMITTEE**

The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI LODR Regulations, 2015 read with section 178 of the Act.

**i. Composition**

As on 31st March, 2021, the Committee comprises of three Directors. Mr. Manoj Bishan Mittal, the Chairman of the Committee is a Non-Executive Independent Director. Details of the meeting duly attended by the Chairman and Members of the Stakeholders Relationship Committee, held for the year 2020-21 are as follows:

Name	Category	Number of Meetings during the year 2020-21	
		Held	Attended
Mr. Manoj Bishan Mittal (Chairman)	Non- Executive Independent Director	2	0
Ms. Charu Jain (Member)	Non- Executive Independent Director	2	2
Mr. Pyare Lal Khanna (Member)*	Non- Executive Non- Independent Director	0	0
Mr. Vijay Kumar Gupta (Member)*	Whole-time Director	2	2

\*Mr. Vijay Kumar Gupta resigned from the directorship of the Company w.e.f. 05th October, 2020 and Mr. Pyare Lal Khanna was appointed as Non- Executive Non- Independent Director and member of Stakeholder Relationship Committee of the Company w.e.f. 30th December, 2020.





Two Stakeholders Relationship Committee Meetings were held during the year 2020-21. The dates on which the said meetings were held were as follows:

17.07.2020 and 26.08.2020

The necessary quorum was present at the meetings.

## ii. Terms of Reference

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Companies Act, 2013. The Board has clearly defined the terms of reference for this Committee, which generally meets once in a quarter. The Committee looks into the matters of Shareholders / Investors grievances along with other matters listed below:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates/certificates relating to other securities;
- issue and allot right shares/bonus shares pursuant to a Rights Issue/ Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;

→ monitoring expeditious redressal of investors / stakeholders grievances;

→ all other matters incidental or related to shares, debenture etc.

## iii. Name and Designation of Compliance officer:

**Name** : Mr. Subodh Kumar Barnwal

**Designation** : Company Secretary & Compliance Officer

**Address** : CMI Limited, PD-II, Jhilmil Metro Station, Jhilmil Industrial Area, Delhi-110095

**Phone** : 011-49570000

**E-mail** : info@cmilimited.in and cmics@cmilimited.in

The details of total number of complaints received; resolved/pending during the financial year 2020-21 is as follow: -

Particulars	No. of Complaints
Number of complaints received from the investors (including the opening Balance as on 01st April, 2020) comprising of Non-receipt of Dividend Warrants where reconciliation is completed after end of the quarter, securities sent for transfer and transmission, annual report & complaints received from Regulatory/Statutory Bodies	NIL
Number of complaints resolved	NA
Complaints Pending as at March 31, 2021	NIL

**The above table includes Complaints received from SEBI SCORES by the Company.**

The Complaints are handled by Company's Registrars and Share Transfer Agents, BEETAL Financial & Computer Services Pvt Ltd, New Delhi. The Stakeholder Relationship Committee monitors the complaints and other activities and also helps in resolving grievances wherever needed.

## D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with the requirement of Section 135 of the Companies Act, 2013, the Company has constituted 'Corporate Social Responsibility Committee' to look into the Corporate Social Responsibility Policy of the Company. The broad

terms of reference of the committee are as follows:

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress;
- To monitor the corporate social responsibility policy of the company from time to time.

#### i. Composition

As on 31st March, 2021, the Committee comprises of 3 Directors. Details of the members of the Committee and the meetings duly attended by them during the financial year 2020-21 are as follows:

Name	Category	Number of Meetings during the year 2020-21	
		Held	Attended
Mr. Manoj Bishan Mittal (Chairman)	Non- Executive Independent Director	1	0
Ms. Charu Jain (Member)	Non- Executive Independent Director	1	1
Mr. Vijay Kumar Gupta (Member)*	Whole Time Director	1	1
Mr. Pyare Lal Khanna (Member)*	Non- Executive Non-Independent Director	0	0

\*Mr. Vijay Kumar Gupta resigned from the directorship of the Company w.e.f. 05th October, 2020 and Mr. Pyare Lal Khanna was appointed as Non- Executive Non-Independent Director and member of Corporate Social Responsibility Committee of the Company w.e.f. 30th December, 2020.

One Corporate Social Responsibility Committee Meetings were held during the year 2020-21. The date on which the said meetings were held was as follows:

26th August, 2020.

## 4. GENERAL MEETING

a) Location and time where the last three Annual General Meetings were held and Special Resolution passed thereat:

AGM	Date & Time	Place of Meeting	Details of Special Resolution Passed
53rd	29th September, 2020 at 01:00 p.m.	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	*Re-appointment of Mr. Manoj Bishan Mittal (holding DIN: 00282676) as an Non-Executive Independent Director of the Company for a second term of Five (5) consecutive years
52nd	30th September, 2019 at 11:30 a.m.	Navkaar Banquets, Caspia Hotel Complex, Outer Ring Road, Shalimar Place, Delhi-88	*Continuation of Mr. Vijay Kumar Gupta (DIN:00995523) as Whole Time Director upon attaining age of Seventy years *Increase in remuneration to Mr. Amit Jain, Chairman and Managing Director for the period from October 01, 2019 to September 30, 2020 *Creation of the security for the loan/ credit facility by mortgage/ creation of charge under section 180(1)(a) of Companies Act, 2013 *Increase in the borrowing powers of the company under section 180(1)(c) of Companies Act, 2013
51st	29th November, 2018 at 11:30 a.m.	Navkaar Banquets, Caspia Hotel Complex, Outer Ring Road, Shalimar Place, Delhi-88	NIL



### Extra Ordinary General Meeting:

NO Extra Ordinary General Meeting was held during the year 2020-21.

### Postal Ballot:

During the year, the Company has conducted a Postal Ballot in January, 2021.

Details of the voting results of the above mentioned Postal Ballot is as follows:-

**Date of Postal Ballot Notice:** 30th December, 2020

**Voting Period:** 07th January, 2021 to 05th February, 2021

**Date of Declaration of Result:** 06th February, 2021

**Date of Approval:** 06th February, 2021

M/s Pooja Anand & Associates, Practicing Company Secretaries was appointed as scrutinizer for carrying out the postal ballot process in fair and transparent manner. The Company successfully completed the process of obtaining approval of shareholders for Special Resolution on the items detailed below:-

Purpose of Resolution	Type of Resolution (Ordinary/Special)	No. of Shares held	No. of Votes Polled	Votes Cast in favor		Votes Cast against	
				No of Votes	% age	No of Votes	% age
Issue Of upto 70,00,000 Equity Shares to Non-Promoters on Preferential Basis	Special Resolution	15027457	6953295	6652706	95.68	300589	4.32

### Special resolutions are proposed to be passed through postal ballot

Special Resolution(s) as may be necessary would be passed through Postal Ballot in compliance with provisions of the Companies Act, 2013 and SEBI Listing Regulations.

### Procedure for postal ballot

In compliance with Section 108, 110 and other applicable provisions of the Companies Act, 2013, read with related Rules made thereunder, the Company provides the electronic voting (e-voting) facility to all its members. The Company engages the services of CDSL of the purpose of providing e-voting facility to all its members. The members have both the option to vote either by physical ballot or through e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appears on the register of members/list of beneficiaries on cut-off date. The Postal Ballot Notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding)/ the company's register and share transfer agents (in case of physical shareholding).

The Company also publishes a notice in the newspaper, declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable rules. Those Members who desires to exercise their votes by physical postal ballot forms shall return the forms, duly completed and signed to the scrutinizer on or before the close of the voting period. Member's desires to exercise their votes by electronic mode are requested to vote before close of business hours not later.

The Scrutinizer submits his report after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman of the meeting.

## 5. MEANS OF COMMUNICATION

- A) The Unaudited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the SEBI Listing Regulation, as amended from time to time.
- B) The Company normally publishes quarterly results/ half yearly in leading Business Newspapers National daily of the country like Financial Express (English

Language) and “Jansatta” (Vernacular Language) in accordance with the SEBI Listing Regulations and circulates the same to stock exchanges & the shareholders.;

- C) The official news releases, including the quarterly, half yearly and annual results and presentations made to institutional investors/analysts, if any, are also posted on the Company’s website [www.cmilimited.in](http://www.cmilimited.in)
- D) The Company also ensures that the details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances, details of agreements entered into with media companies and/or their associates and other information as required under Companies Act, 2013 and SEBI listing Regulations are promptly and prominently posted on its website [www.cmilimited.in](http://www.cmilimited.in).

## 6. GENERAL SHAREHOLDERS INFORMATION

### A) Annual General Meeting

<b>Day and Date</b>	<b>Thursday, 30th September, 2021</b>
<b>Time</b>	01:00 p.m.
<b>Venue</b>	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)  Company’s Registered Office i.e. CMI Limited, PD-II, Jhilmil Metro Station, Jhilmil Industrial Area, Delhi-110095
<b>Financial Year</b>	2020-21
<b>Book Closure / Record Date</b>	Friday, 24th Day of September, 2021 to Thursday, 30th Day of September, 2021 (both days inclusive)

### E) Market Price Data

High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2020-21 on NSE and BSE:

Month	BSE			NSE		
	High Price	Low Price	Volume	High Price	Low Price	Volume
Apr-20	30.45	19.80	1,18,970	30.45	19.30	8,24,226
May-20	26.45	21.20	33,607	26.20	20.70	3,41,186
Jun-20	45.20	22.15	4,23,299	44.95	22.30	19,38,228
Jul-20	38.55	31.40	2,05,886	38.45	31.25	9,03,660
Aug-20	49.90	31.30	2,21,254	50.00	31.00	13,86,551

### B) Financial Year Calendar (Tentative):

The Company follows the period of 1st April to 31st March, as the Financial Year. The tentative dates for Board Meetings for consideration of quarterly financial results are as below:

<b>First Quarter Results</b>	on or before August 14, 2020
<b>Second Quarter &amp; Half Yearly Results</b>	on or before November 14, 2020
<b>Third Quarter Results</b>	on or before February 14, 2021
<b>Fourth &amp; Audited Annual Results</b>	on or before May 30, 2021

**Dividend Payment:** No dividend has been recommended for the Financial Year 2020-21.

### C) Listing on Stock Exchanges:

The equity shares of your Company are listed on National Stock Exchange of India Ltd. and BSE Ltd. (the stock exchanges).

<b>National Stock Exchange of India Ltd.</b>	<b>BSE Ltd.</b>
'Exchange Plaza', Bandra Kurla Complex, Bandra (E), Mumbai- 400051 website : <a href="http://www.bseindia.com">www.bseindia.com</a>	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001  website : <a href="http://www.nseindia.com">www.nseindia.com</a>

The Annual listing fee for the listed equity Shares for the year 2021-22 is due to be paid to BSE Ltd. and National Stock Exchange Limited.

### D) Stock Codes/Symbol:

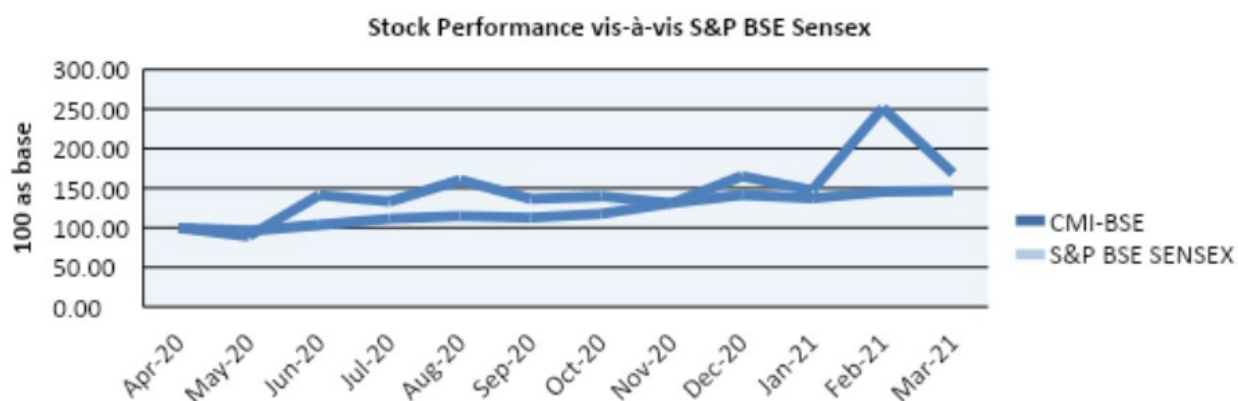
National Stock Exchange of India Ltd.	:	CMICABLES
BSE Ltd.	:	517330



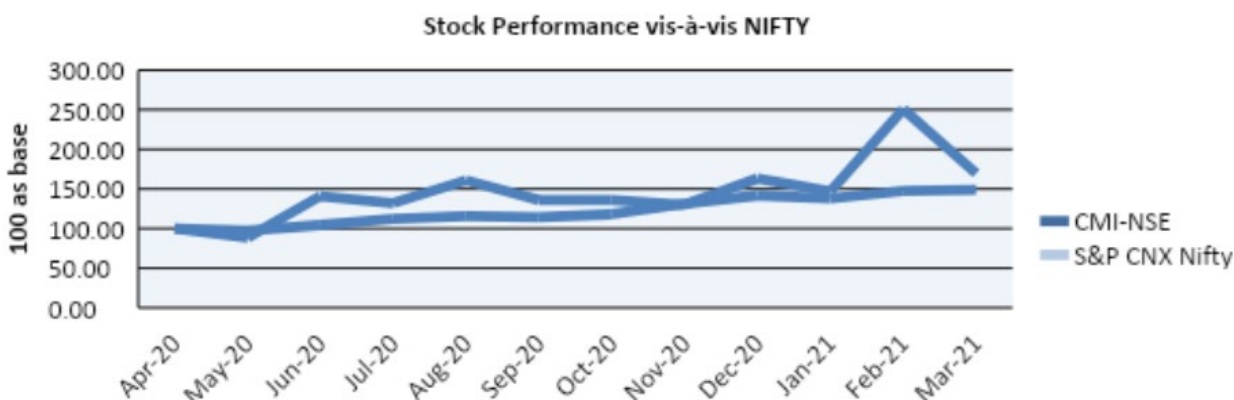
Month	BSE			NSE		
	High Price	Low Price	Volume	High Price	Low Price	Volume
Sep-20	44.00	32.30	79,731	44.35	32.50	4,82,117
Oct-20	37.60	32.30	39,455	36.65	30.70	2,74,942
Nov-20	35.90	30.00	1,50,505	35.95	29.20	7,35,324
Dec-20	47.00	31.55	4,26,494	46.80	31.60	22,11,783
Jan-21	43.50	35.10	83,646	44.00	34.95	3,90,116
Feb-21	68.70	35.05	4,75,530	68.40	34.95	24,07,190
Mar-21	63.00	41.90	2,09,760	63.00	42.15	8,24,981

#### F) Stock Performance

The performance of the Company's share relative to the BSE Sensitive Index and S&P CNX Nifty (on closing rates at the end of each month in respective stock exchange) considering 100 as the base is given in the Chart below:



*Performance of Share Price of the Company in comparison to the BSE Sensex*



*Performance of Share Price of the Company in comparison to the NSE Nifty*

#### G) Registrar & Transfer Agent

Share transfer, dividend payment and all other investor related matters are attended to and processed by our Registrar and Transfer Agents. Details of Registrar and Transfer Agents are as under-

Registrar and Transfer Agents :	BEETAL Financial & Computer Services Pvt Ltd.
Address :	BEETAL HOUSE, 3rd Floor, 99, Madangir, behind LSC, New Delhi – 110062
Contact Details :	011-29961281-283/26051061/26051064
Fax :	011-29961284
Email Address :	beetalrta@gmail.com



### Share transfers system

Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialized form.

In terms of the amendment carried out during last Financial Year in Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 transfer of securities were to be carried out in dematerialized form only with effect from 1st April, 2019.

In compliance of the provisions of Listing Regulations, the share transfer system of the Company is audited every six months by a Practicing Company Secretary and a certificate to that effect is issued by them and simultaneously submitted to Stock Exchanges.

In case of request for dematerialization of shares, confirmation of dematerialization is sent to the respective depository i.e. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL), expeditiously

### H) Dematerializations of Shares and liquidity

The shares of the Company are permitted for trading in dematerialized form only. As at March 31, 2021, 91.85% of Equity capital was held in Electronic form with NSDL and CDSL. Normally, requests of dematerialization of shares are processed and confirmed within 15 days of receipt to NSDL and CDSL.

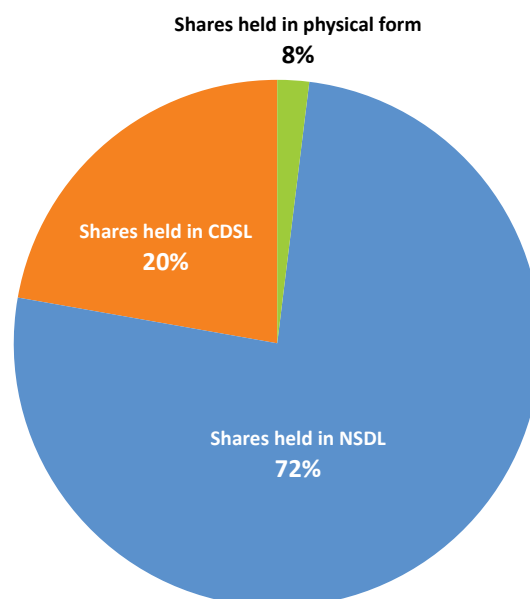
### I) Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:

As on March 31, 2021, the Company has no outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity.

### J) Shareholding as on March 31, 2021

#### i. Distribution of Shareholding as at March 31, 2021

Category	No. of Folios	% of Shareholders	No. of Shares	% of Capital
1 – 5000	9796	86.16	1213849	7.57
5001 - 10000	743	6.54	601658	3.75
10001 - 20000	347	3.05	530071	3.31
20001 - 30000	130	1.14	336473	2.10
30001 - 40000	75	0.66	263721	1.65
40001 - 50000	65	0.57	311872	1.95
50001 - 100000	113	0.99	835786	5.21
10001 and above	100	0.88	11934027	74.46
<b>TOTAL</b>	<b>11369</b>	<b>100</b>	<b>16027457</b>	<b>100</b>



### Shares held in Electronic Form

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, nomination and power of attorney should be given directly to the DP.

### Shares held in Physical Form

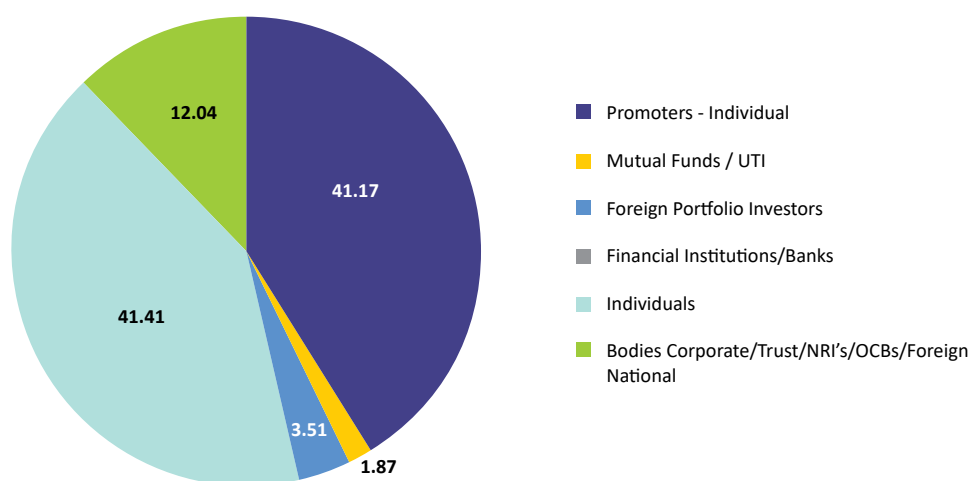
Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, nomination and power of attorney should be given to the Company's RTA viz. BEETAL Financial & Computer Services Pvt Ltd., Delhi.



## ii. Categories of equity shareholders as on March 31, 2021:

Shareholding pattern as on March 31, 2021 for the purpose of reporting in the Annual Report of the Company for the year 2020-21 is given as under:

Category	As on March 31, 2021	
	No. of Equity Shares	Percentage (%)
Promoters – Individual	65,98,495	41.17
Mutual Funds / UTI	300000	1.87
Foreign Portfolio Investors	561867	3.51
Financial Institutions/ Banks	80	0.00
Individuals	6637631	41.41
Bodies Corporate/Directors/Trust/ Clearing /NRI's / OCBs / Foreign Nationals	1929384	12.04



## Top Ten Shareholders as on March 31, 2021:

S. No.	List of Top Ten Shareholders As On March 31, 2021	Shares	% Age of Paid-Up Capital
1	MVS Ananthkrishanan	10,00,000	6.24
2	HSBC INFRASTRUCTURE EQUITY FUND	3,00,000	1.87
3	CNI RESEARCH LIMITED	3,00,000	1.87
4	INDIA OPPORTUNITIES GROWTH FUND LTD - PINWOOD STRATEGY	2,75,348	1.72
5	RAMESH SINGHAL	1,94,044	1.21
6	VUMMIDI ANANTH	1,81,122	1.13
7	ELARA INDIA OPPORTUNITIES FUND LIMITED	1,56,519	0.98
8	RAJESH HARICHANDRA BUDHRANI	1,56,465	0.98
9	ZAMBEZI BUILDERS PRIVATE LIMITED	1,36,649	0.85
10	PREMIER INVESTMENT FUND LIMITED	1,30,000	0.81

## K) Commodity price risk or foreign exchange risk and hedging activities

The company has not carried out any hedging activities related to the Commodity price risk or foreign exchange risk.

## L) Plant Location

**Faridabad:** Plot No. 71 & 82, Sector- 06, Faridabad, Haryana-121006

**Baddi:** Plant Village Bhatauli Khurd, Baddi, Solan-173205, Himachal Pradesh.

**M) Address for Correspondence**

<b>Corporate Office:</b>	<b>CMI Limited</b> PD-II, Jhilmil Metro Station Jhilmil Industrial Area Delhi-110095 E-mail: info@cmilimited.in
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**N) CREDIT RATING**

For the Financial Year 2020-21, CARE has revised the rating from BBB+; Stable (Triple B Plus; Outlook Stable) to CARE BBB; Stable (Triple B; Outlook Stable) for the Long Term Bank Facilities and CARE A3+ (A Three Plus) to CARE A3 (A Three) for the Short Term Bank facilities availed by the Company vide their letter dated 30th July, 2020.

Thereafter, CARE revised the rating from CARE BBB; Stable (Triple B; Outlook Stable) to CARE D (Single D) for the Long Term Bank Facilities and CARE A3+ (A Three Plus) to CARE D (Single D) for the Short Term Bank facilities availed by the Company vide their letter dated 25th September, 2020 and later reaffirmed the same on 12th November, 2020.

**DISCLOSURES:**
**a) Related party transactions**

Related Parties and transactions with them as required under Indian Accounting Standard 24 (IND AS-24) are furnished under Note No. 39 of the Notes to the Accounts attached with the financial statements for the year ended March 31, 2021. There were no material related party transactions between the Company and related parties during the year under review and hence disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required to be attached and hence do not forms part of this report..

The secretarial auditor has not made any observations relating to Related Party Transactions in their Secretarial Audit report. The Board of Directors have approved and adopted a policy on Related Party Transactions and the same can be accessed at [https://cmilimited.in/img/pdf/Policy\\_on\\_Related\\_Party\\_Transactions-new-2021.pdf](https://cmilimited.in/img/pdf/Policy_on_Related_Party_Transactions-new-2021.pdf)

**b) Matters related to capital market**

There were no penalties or strictures been imposed on the company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during this Financial year 2020-21. However, a fine of Rs. 1000/- was imposed for delay in submission of Corporate Governance Report to National Stock

Exchange due to technical error with the portal while uploading the same in the Financial Year 2018-19.

**c) Details of Vigil mechanism, Whistle blower Policy and affirmation that no personnel have been denied access to the Audit Committee**

The Company has adopted a Whistle Blower Policy through which vigil mechanism of the Company has been laid down. The Company affirms that no personnel have been denied access to Audit Committee on any issue.

**d) Compliance with mandatory requirements and adoption of Non-mandatory requirements**

The Company has complied with all the mandatory requirements of SEBI Listing Regulations, 2015.

**e) Subsidiary Companies**

As on 31st March, 2021, the Company does not have any Subsidiary or Associate Company.

**f) Total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:**

M/s. Krishna Neeraj & Associates., Chartered Accountants (Firm Registration No.: 023233N) has been appointed as the Statutory Auditors of the Company. The particulars of total fees paid by the Company on consolidate basis, to the said Statutory Auditor is given below:

(Amount in Lakhs)

Particulars	Amount
Services as statutory auditors	5.00
Other Services	0.75

**g) Code of Conduct**

The Company has adopted "Code of Conduct for Directors and Senior Management Personnel" ('Code') pursuant to the provisions of regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015., which is available on the website of the Company [https://cmilimited.in/img/pdf/Code%20of%20Conduct\\_Director%20&%20Senior%20Management%20\(1\).pdf](https://cmilimited.in/img/pdf/Code%20of%20Conduct_Director%20&%20Senior%20Management%20(1).pdf)

The Company has received declarations under Regulation 26(3) of the Listing Regulations from other Directors and members of the Senior Management of the Company to whom the Code of Conduct is applicable.



**h) Code of Conduct for Prevention of Insider Trading**

The Company has adopted a “Code of Internal Procedures and Conduct for Regulation, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives” pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, with a view to regulate, monitor and report trading in securities of the Company by its Directors and Designated persons

**i) Certificate from a Company Secretary**

Pursuant to Regulation 34(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a certificate from a Company Secretary in practice is annexed to this report.

**j) Certificate on Corporate Governance**

As required by Regulation 34(3) Schedule V (E) of the SEBI listing regulations, the certificate from Practicing Company Secretary regarding compliances of conditions of Corporate Governance is annexed to this report.

**o) Disclosures with respect to Demat suspense account/unclaimed suspense account**

As per Regulation 34(3) read with Schedule V of SEBI Listing Regulation, the details of the shares in the Suspense Account are as follows:

Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year	Number of Shareholders who approached the Company for transfer of shares from suspense account during the year	Number of Shareholders to whom shares were transferred from suspense account during the year	Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the end of the year	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares
(1)	(2)	(3)	(4)	(5)
NIL	NIL	NIL	NIL	NIL

**p) Disclosure under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013**

The Company has laid down Anti Sexual Harassment policy on Gender Equality, Gender Protection, Prevention of Sexual Harassment and Redressal System in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, Apprenticeship) are covered under this policy. Details of the complaints filed, disposed or pending as on the end of the financial year are;

- i. Number of complaints filed during the financial year - NIL
- ii. Number of complaints disposed of during the financial year - NA
- iii. Number of complaints pending as on the end of the financial year - NIL

**k) CEO/CFO Certification**

The Board has received a compliance certificate from, the Managing Director of the Company and pursuant to Regulation 17 (8) read with Schedule II Part B of SEBI Listing Regulations is annexed to this report.

**l) Disclosure of Accounting Treatment**

The Financial statement of the Company is prepared as per the prescribed Indian Accounting Standards and reflects true and fair view of the business transactions in the Corporate Governance. The Board has accepted all recommendation from Audit Committee.

**m) Disclosure of acceptance of all recommendation by the committee**

All recommendations from the respective committee of the board as per the Director report of the Company were accepted by the Board of Directors.

**n) Management Discussion and Analysis**

Management Discussion and Analysis Report forms part of the Annual Report

- q) The Company has complied with all mandatory requirements of the Listing Regulations. The Company has adopted the requisite discretionary requirements of the Listing Regulations as specified in Part E of Schedule II.
- r) The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 has been disclosed in the section on corporate governance of the annual report, to the extent applicable.

Place: New Delhi  
Date: 31<sup>st</sup> August, 2021

**Disclaimer:**

The information furnished above is certified by CMI Limited to be true, fair and accurate (except in respect of errors in or omissions from documents filed electronically that result solely from electronic transmission errors beyond our control and in respect of which we take corrective action as soon as it is reasonably practicable after becoming aware of the error or the omission). SEBI, the Stock Exchanges or the NIC do not take any responsibility for the accuracy, validity, consistency and integrity of the data entered and updated by it.

By order of the board  
For **CMI Limited**

Sd/-  
**(Amit Jain)**  
Chairman cum Managing Director  
DIN: 00041300







## CODE OF CONDUCT

The Company's Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors, Senior Management and Employees of the Company. The Code of Conduct of the Company covers substantial development, disclosure of material information, integrity of financial reporting, continuous improvement of the internal control system and sound investor relations.

The Code has been circulated to all the members of the Board and senior management personnel and the compliance with the Code of Conduct and Ethics is affirmed by them annually.

A declaration signed by the Chairman cum Managing Director of the Company is given below:

This is to certify that, to the best of my knowledge and belief, for the financial year ended on 31st March, 2020, the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2021, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

By order of the board  
For **CMI Limited**

Sd/-  
**(Amit Jain)**

Chairman cum Managing Director  
DIN: 00041300

Place: New Delhi  
Date: 26<sup>th</sup> August, 2021

## COMPLIANCE CERTIFICATE OF CORPORATE GOVERNANCE

To

The Members of CMI Limited

We have examined the compliance of conditions of Corporate Governance by CMI Limited (hereinafter called the Company/ CMI) CIN: L74899DL1967PLC018031 and having registered office at PD-II, Jhilmil Metro Station, Jhilmil Industrial Area, Delhi-110095, for the year ended on 31st March 2021 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of Management. Our examination was limited to a review of procedures and implementations thereof, adopted by the Company for ensuring the compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to our examination of relevant records and the explanations given to us, and representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015 except the following;

1. During the year under review, the appointment Mr. Servagaya Jain as an Independent Director of the Company was held without inclusion of his name in Independent Director's Databank as per Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019. As on March 31, 2021, the Board of the Company was not duly constituted upto that extent

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

For **Pooja Anand & Associates**  
**Company Secretaries**

Sd/-  
**(Mukul Tyagi)**  
Company Secretary  
M.No. F9973  
CP No.: 16631  
UDIN: F009973C000835743

Place: New Delhi  
Date: 26<sup>th</sup> August, 2021





## COMPLIANCE CERTIFICATE

To

The Members of CMI Limited

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

Place: New Delhi  
Date: 26<sup>th</sup> August, 2021

Sd/-  
**(Amit Jain)**  
Chairman cum Managing Director

SD/-  
**(Raj Kumar)**  
CFO

## Certificate of Non-Disqualification of Directors

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

To,

The Members,  
**CMI Limited**  
PD-II, Jhilmil Metro Station,  
Jhilmil Industrial Area,  
Delhi-110095

We have examined the relevant registers, records, forms, returns and disclosures received from CMI Limited having CIN: L74899DL1967PLC018031 and having registered office at PD-II, Jhilmil Metro Station, Jhilmil Industrial Area, Delhi-110095 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority, except, the appointment Mr. Servagaya Jain as an Independent Director of the Company which was held without inclusion of his name in Independent Director's Databank as per Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019. As on March 31, 2021, the Board of the Company was not duly constituted upto that extent:


S. No.	Name of the Director	DIN	Date of Appointment in Company
1	Amit Jain	00041300	01/10/2002
2	Manoj Bishan Mittal	00282676	29/07/2016
3	Servagaya Jain	00862686	26/08/2020
4	Charu Jain	03457247	28/05/2019
5	Pyare Lal Khanna	02237272	30/12/2020
6	Kunal Singhal	08140142	31/03/2020

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

For Pooja Anand & Associates  
Company Secretaries

Sd/-  
**(Mukul Tyagi)**  
Company Secretary  
M.No. F9973  
CP No.: 16631  
UDIN: F009973C000835743

Place: New Delhi  
Date: 26<sup>th</sup> August, 2021



FINANCIAL  
**STATEMENTS  
& NOTES**





# INDEPENDENT AUDITOR'S REPORT

To the Members of **CMI LIMITED**

## Report on the Audit of the Standalone Financial Statements

### OPINION

We have audited the financial statements of CMI LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

### BASIS FOR OPINION

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

of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's board of directors is responsible for the preparation of 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 financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

### KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgement, 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.

The key audit matter	How the matter was addressed in our audit
<p><b>Revenue - Performance Obligations</b></p> <p>The company is in the business of manufacturing of various types of Cables, and sells to customers through institutional globally. Sales contracts contain various performance obligations and other terms and the determination of when significant performance obligations have been met varies albeit a specific point in time can often be established. As a consequence, the company has analyzed its various sales contracts and concluded on the principles for deciding in which period or periods the Company's sales transactions should be recognized as revenue.</p>	<p>Audit Procedure Applied Our audit included but was not limited to the following procedures:</p> <ul style="list-style-type: none"> <li>• Mapped and evaluated selected systems and processes for revenue recognition and tested a sample of key controls.</li> <li>• Selecting a sample from each type of the contracts with the customers, and testing the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.</li> </ul>



The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>• Tested sample of sales transactions for compliance with the company's accounting principles.</li> <li>• Read and assessed the disclosure made in the financial statements for assessing compliance with disclosure requirements.</li> </ul>
<p><b>Revenue – Variable Consideration</b></p> <p>Revenue is recognized in accordance with Ind AS 115, net of discounts, incentives, and rebates accrued by customers based on sales.</p> <p>At the reporting date, the company estimates and accrues for discounts and rebates they consider as having been incurred but not yet paid.</p>	<p>Audit Procedure Applied Our audit included but was not limited to the following procedures:</p> <ul style="list-style-type: none"> <li>• Understanding the policies and procedures applied to revenue recognition including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Company.</li> <li>• Carrying out substantive analytical procedures, analysing the actual performance of revenue and cost of sales related to discounts, incentives and rebates etc.</li> <li>• Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basic of estimation of the variable consideration.</li> <li>• Analysing and discussing with management significant contracts including contractual terms and conditions related to discounts, incentives and rebates used in the related estimates.</li> <li>• Reviewing disclosures included in the notes to the accompanying financial statements.</li> </ul>

## OTHER INFORMATION

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the 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.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

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

and are free from material misstatement, whether due to fraud or error.

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

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

## 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 sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



- A) As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position - refer note 42 to the 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.
- C) With respect to the matter to be included in the Auditor's 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 within eleven per cent of the net profits computed in the manner laid down in section 198 of the Act. **However, the amount paid to the directors including Chairman cum Managing Director is in excess of Rs. 60.24 Lakhs over and above of permissible limit as specified under section 197 read with schedule V of the Act.**

For **Krishna Neeraj & Associates**  
Chartered Accountants  
FRN: 023233N

Sd/-

**(CA. Krusshna Neeraj)**

Partner

Membership No.: 506669

UDIN: 21506669AAAAGP3212

Place: New Delhi

Date: 12/08/2021

## ANNEXURE 'A'

The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".

We report that:

- i. a) The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- c) The 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 included in fixed assets are held in the name of the Company.
- ii. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. **Some discrepancies have been noticed on physical verification of stocks by the management as compared to book records. However, the quantification of such discrepancies is not determinable per se. The management has appointed an independent technical person to evaluate and determine the reasons and quantum of discrepancies in physical stock and book stock, however the results of which were not available till balance sheet finalization date.**
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.
- iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013.
- vi. As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii. a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues **except related to Tax Deducted at Source (TDS) under Income Tax Act, 1961** as on 31st of March, 2021 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 is no amount payable except as shown in below table in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes:

Particulars	Financial Year	Amount (Rs. In Lakh)
Income Tax Related to Assessment Year 2012-2013. Appeal pending before CIT(Appeals)	2011-12	813.24
- viii. In our opinion and according to the information and explanations given by the management, we are of the opinion that, **the Company has defaulted in repayment of dues to financial institution, bank, Government or debenture holder, as applicable to the company.**
- ix. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) or by way of term loans during the year.
- x. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is within eleven per cent of the net profits computed in the manner



laid down in section 198 of the Act. **However, the amount paid to directors including Chairman cum Managing Director is in excess of Rs. 60.24 Lakh over and above of permissible limit as specified under section 197 read with schedule V of the Act.**

- xii. According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required

by the applicable accounting standards.

- xiv. The company has made any preferential allotment during the year under review.
- xv. Provisions of section 192 of Companies Act, 2013 have been complied with in case of non-cash transactions entered by the company with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

Place: New Delhi  
Date: 12/08/2021

For **Krishna Neeraj & Associates**  
Chartered Accountants  
FRN: 023233N

Sd/-  
**(CA. Krusshna Neeraj)**  
Partner  
Membership No.: 506669



## ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of M/s CMI LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### AUDITORS' RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

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

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

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

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

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility





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

## OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as

at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. **However, as reported under report under “other legal and regulatory requirements” that there have been some discrepancies in the physical stock and book stock noticed by the management and the necessary steps to determine the reasons and quantum of same have been informed to be taken by the management. Since the reason for such discrepancies are not determinable at the balance sheet date, its impact on the operating effectiveness of the internal financial control cannot be commented upon.**

For **Krishna Neeraj & Associates**  
Chartered Accountants  
FRN: 023233N

Sd/-  
**(CA. Krusshna Neeraj)**  
Partner  
Membership No.: 506669

Place: New Delhi  
Date: 12/08/2021

# BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2021

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Notes	As at	
		31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, plant and equipment	6	15,076.34	16,096.01
(b) Capital work in progress		299.70	630.96
(c) Investment Property	7	939.70	944.70
(d) Other Intangible assets	8	23.19	24.04
(e) Financial assets			
(i) Investments	9	0.02	0.02
(ii) Loans	10	105.55	117.95
(iii) Other financial assets	11	84.81	253.98
(f) Deferred tax assets (net)	12	3,661.23	1,304.23
(g) Other non-current assets	13	851.34	912.89
		<b>21,041.89</b>	<b>20,284.78</b>
<b>II Current assets</b>			
(a) Inventories	14	15,447.33	18,767.75
(b) Financial assets			
(i) Trade receivables	15	13,529.44	23,134.44
(ii) Cash and cash equivalents	16	708.68	157.73
(iii) Other bank balances	17	1,183.14	1,261.53
(iv) Loans	10	94.93	316.17
(v) Others financial assets	18	7.29	347.17
(c) Current tax assets (net)		174.99	133.24
(d) Other current assets	19	5,372.73	5,527.37
		<b>36,518.53</b>	<b>49,645.40</b>
<b>TOTAL ASSETS</b>		<b>57,560.42</b>	<b>69,930.18</b>
<b>EQUITY AND LIABILITIES</b>			
<b>III EQUITY</b>			
(a) Equity Share Capital	20	1,603.07	1,503.07
(b) Other Equity	21	10,853.60	29,903.64
<b>Total equity</b>		<b>12,456.67</b>	<b>31,406.71</b>
<b>Liabilities</b>			
<b>IV Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	6,122.57	5,921.59
(ii) Other financial liabilities	26	135.71	215.36
(b) Provisions	23	84.78	92.26
		<b>6,343.06</b>	<b>6,229.21</b>
<b>V Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	24	22,128.99	20,661.50
(ii) Trade payables	25		
- Total outstanding dues to micro enterprises & small enterprises		788.27	1,033.17
- Total outstanding dues of creditors other than above		10,930.91	7,297.67
(iii) Other financial liabilities		3,880.03	2,781.65
(b) Other current liabilities	27	859.67	343.05
(c) Provisions	23	20.63	23.18
(d) Current tax liabilities (net)		152.19	154.04
		<b>38,760.69</b>	<b>32,294.26</b>
<b>TOTAL LIABILITIES</b>		<b>45,103.75</b>	<b>38,523.47</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>57,560.42</b>	<b>69,930.18</b>
Summary of significant accounting policies	3		
The accompanying notes (1-52) are an integral part of the financial statements			

As per our report of even date attached  
For **Krishna Neeraj & Associates**  
Chartered Accountants  
FRN: 023233N

Sd/-  
**(CA. Krushna Neeraj)**  
Partner  
Membership No.: 506669

Place: New Delhi  
Date: August 12, 2021

For and on behalf of the Board of Directors

Sd/-  
**Amit Jain**  
Chairman cum Managing Director  
DIN: 00041300

Sd/-  
**Subodh Kumar Barnwal**  
Company Secretary  
M. No.: A21928

Sd/-  
**Kunal Singhal**  
Director  
DIN: 08140142

Sd/-  
**Raj Kumar**  
C.F.O.





## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars		Notes	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
I	Revenue from operations	28	20,170.26	49,829.48
II	Other income	29	441.83	1,382.73
III	<b>Total income (I+II)</b>		<b>20,612.09</b>	<b>51,212.21</b>
IV	<b>Expenses</b>			
	(a) Cost of raw material consumed	30	18,641.83	39,454.75
	(b) Purchase of stock in trade		167.23	2,167.86
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	1,074.75	(2,703.99)
	(d) Employee benefits expense	32	1,219.48	2,178.18
	(e) Finance costs	33	4,529.99	4,000.86
	(f) Depreciation and amortization expense	34	1,187.52	1,167.78
	(g) Other expenses	35	1,567.95	3,888.43
	<b>Total expenses</b>		<b>28,388.75</b>	<b>50,153.87</b>
V	<b>Profit/ (Loss) before exceptional items and tax (III-IV)</b>		(7,776.66)	1,058.34
VI	Exceptional items	48	(14,044.15)	(25.48)
VII	<b>Profit/ (Loss) before tax (V+VI)</b>		<b>(21,820.81)</b>	<b>1,032.86</b>
VIII	<b>Income tax expense</b>			
	(a) Current tax		-	-
	(b) Deferred tax		2,360.50	(662.74)
	<b>Total tax expense</b>		<b>2,360.50</b>	<b>(662.74)</b>
IX	<b>Profit/ (Loss) for the year (VII+VIII)</b>		<b>(19,460.31)</b>	<b>370.12</b>
X	<b>Other comprehensive income</b>			
	Items that will not be reclassified to profit or loss in subsequent periods:			
	(i) Remeasurements of post-employment defined benefit obligations		13.76	(12.55)
	(ii) Change in fair value of FVOCI equity instruments		0.01	(0.02)
	(iii) Income tax effect		(3.50)	3.20
	Items that will be reclassified to profit or loss in subsequent periods:		-	-
	<b>Other comprehensive income for the year, net of tax</b>		<b>10.27</b>	<b>(9.37)</b>
XI	<b>Total comprehensive income for the year (IX+X)</b>		<b>(19,450.04)</b>	<b>360.75</b>
XII	<b>Earnings per share in Rs.</b>	40		
	(a) Basic earnings per equity share		(128.47)	2.46
	(b) Diluted earnings per equity share		(128.47)	2.46
	Summary of significant accounting policies	3		
	The accompanying notes (1-52) are an integral part of the financial statements			

As per our report of even date attached  
For **Krishna Neeraj & Associates**  
Chartered Accountants  
FRN: 023233N

Sd/-  
**(CA. Krunal Neeraj)**  
Partner  
Membership No.: 506669

Place: New Delhi  
Date: August 12, 2021

For and on behalf of the Board of Directors

Sd/-  
**Amit Jain**  
Chairman cum Managing Director  
DIN: 00041300

Sd/-  
**Subodh Kumar Barnwal**  
Company Secretary  
M. No.: A21928

Sd/-  
**Kunal Singhal**  
Director  
DIN: 08140142

Sd/-  
**Raj Kumar**  
C.F.O.

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year Ended 31 <sup>st</sup> March, 2020
<b>Cash flow from operating activities</b>		
<b>Profit/ (Loss) before tax</b>	<b>(21,820.81)</b>	<b>1,032.86</b>
Adjusted for:		
Depreciation and amortization expense	1,187.52	1,167.78
(Profit)/Loss on sale of property, plant and equipment	(10.33)	25.48
Other comprehensive income	13.76	(12.57)
Rental Income	(60.55)	(61.14)
Interest expense	4,529.99	4,000.86
Interest income	(183.29)	(225.20)
<b>Operating profit/ (loss) before working capital changes</b>	<b>(16,343.71)</b>	<b>5,928.07</b>
<b>Movements in working capital:</b>		
(Decrease)/increase in trade payables and other liabilities	5,104.54	(953.40)
Decrease/(increase) in trade receivables	6,725.61	4,237.68
Decrease/(increase) in inventories	3,320.42	(2,594.75)
Decrease/(increase) in other current assets	715.76	(610.12)
(Decrease)/increase in tax and other provisions	(10.03)	19.28
<b>Cash generated from/ (used in) operations</b>	<b>(487.40)</b>	<b>6,026.75</b>
Direct Taxes Paid	(43.59)	(54.90)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>(530.99)</b>	<b>5,971.85</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, including intangible assets, capital work in progress	(20.00)	(2,060.84)
Proceeds from disposal of property, plant and equipment	199.56	47.54
Decrease/(increase) in non-current investments	(0.01)	0.02
Decrease/(increase) in other non-current assets	61.56	(0.50)
Decrease/(increase) in other bank balances	78.40	(459.69)
Decrease/(increase) in long term loans	181.57	(107.96)
Rental Income	60.55	61.14
Interest received	183.29	225.20
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>744.93</b>	<b>(2,295.09)</b>
<b>Cash flow from financing activities</b>		
Proceeds/(Repayment) of long-term borrowings (Net)	200.98	753.64
Proceeds/(Repayment) of short-term borrowings (Net)	4,346.89	(1,508.61)
Payment of Lease Liabilities	(180.86)	(97.99)
Proceeds from issue of Equity Share Capital (incl Share Premium)	500.00	-
Equity Dividend including taxes thereon	-	(181.16)
Interest paid	(4,529.99)	(4,000.86)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>337.02</b>	<b>(5,034.97)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>550.96</b>	<b>(1,358.22)</b>
Cash and cash equivalents at the beginning of the year	157.73	1,515.95
<b>Cash and cash equivalents at the end of the year</b>	<b>708.69</b>	<b>157.73</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks:		
- In current accounts	592.24	14.51
- In unpaid dividend accounts	13.62	13.61
- In deposit accounts	94.41	100.38
Cash in hand	8.42	29.23
<b>Total cash and cash equivalents [Refer Note No. 16]</b>	<b>708.69</b>	<b>157.73</b>

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

Summary of significant accounting policies

3

The accompanying notes (1-52) are an integral part of the financial statements

For **Krishna Neeraj & Associates**  
Chartered Accountants  
FRN: 023233N

Sd/-  
**(CA. Krushna Neeraj)**  
Partner  
Membership No.: 506669

For and on behalf of the Board of Directors

Sd/-  
**Amit Jain**  
Chairman cum Managing Director  
DIN: 00041300

Sd/-  
**Subodh Kumar Barnwal**  
Company Secretary  
M. No.: A21928

Sd/-  
**Kunal Singhal**  
Director  
DIN: 08140142

Sd/-  
**Raj Kumar**  
C.F.O.

Place: New Delhi  
Date: August 12, 2021



## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

#### A) Equity share capital

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Note	Nos.	Rs. in Lakhs
As at 1st April 2019		1,50,27,457	1,502.75
Changes in equity share capital	20	-	-
As at 31st March 2020		1,50,27,457	1,502.75
Changes in equity share capital	20	10,00,000	100.00
As at 31st March 2021		1,60,27,457	1,602.75

#### B) Other equity

Particulars	Capital Redemption Reserve	Capital Reserve	Securities Premium	Retained Earnings	FVOCI-Equity Instruments	Total other equity
Balance as at 1st April 2019	80.00	744.28	4,596.05	24,418.12	0.01	29,838.46
Profit/ (Loss) for the year	-	-	-	370.12	-	370.12
Other comprehensive income	-	-	-	(9.35)	(0.01)	(9.37)
<b>Total comprehensive income for the year</b>	-	-	-	<b>360.77</b>	<b>(0.01)</b>	<b>360.75</b>
Equity dividend including taxes thereon	-	-	-	(181.16)	-	(181.16)
Unutilized MAT Credits Written Off	-	-	-	(114.41)	-	(114.41)
<b>Balance as at 31st March 2020</b>	<b>80.00</b>	<b>744.28</b>	<b>4,596.05</b>	<b>24,483.31</b>	<b>(0.01)</b>	<b>29,903.64</b>
Profit/ (Loss) for the year	-	-	-	(19,460.31)	-	(19,460.31)
Other comprehensive income	-	-	-	10.26	0.01	10.27
<b>Total comprehensive income for the year</b>	-	-	-	<b>(19,450.05)</b>	<b>0.01</b>	<b>(19,450.04)</b>
Premium on issue of equity shares during the year	-	-	400.00	-	-	400.00
<b>Balance as at 31st March 2021</b>	<b>80.00</b>	<b>744.28</b>	<b>4,996.05</b>	<b>5,033.26</b>	<b>(0.00)</b>	<b>10,853.60</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021



### 1. Corporate information

CMI Limited (“the Company”) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on two stock exchanges in India: the BSE Limited and the National Stock Exchange of India Limited. The registered office of the Company is located at PD-II, Jhilmil Metro Station Jhilmil Industrial Area Delhi East Delhi DL 110095 IN

The Company is primarily engaged in the business of manufacture of wires and cables such as Railway Signaling Cables, Control & Instrumentation Cables, Jelly Filled Telephone Cables, Power Cables and many other specialty cables.

### 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013.

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and financial liabilities which are measured at fair value/ amortized cost (Refer accounting policy regarding financial instruments).

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources. The outbreak of COVID-19 has not affected the going concern assumption of the Company.

The financial statements are presented in Indian Rupees Lakhs and all values have been rounded to the nearest Lakh with two decimal places, unless stated otherwise.

### 3. Significant accounting policies

The Company has applied the following accounting policies to all periods presented in the financial statements.

#### a) Functional and presentation currency

The financial statements are prepared in Indian Rupees, which is the Company’s presentation currency and the functional currency for all its operations.

#### b) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

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

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company’s normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

#### c) Revenue recognition

##### Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the



company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch of goods, based on contracts with the customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes any taxes or duties collected from customers on behalf of the government such as goods and services tax, etc. Due to the short nature of credit period given to customers, there is no financing component in the contract.

#### **Rendering of services**

Income recognition for services takes place as and when the services are performed in accordance with Ind AS 115.

#### **d) Other Income**

##### **i. Interest Income**

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in finance income in the statement of profit and loss.

##### **ii. Dividends**

Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

##### **iii. Rental Income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit and loss.

#### **e) Expenditure**

Expenses are accounted on accrual basis.

#### **f) Property, plant and equipment**

All property, plant and equipment are stated at historical cost, net of accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Items such as spares are capitalized when they meet the definition of property, plant and equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation on property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in case of property, plant and equipment relating to PVC Cable Division, where depreciation is provided using the written down value method (WDV).

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Freehold land is not depreciated.

Leasehold buildings are amortised over the duration of the shorter of the useful life or lease term.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the disposal or retirement or de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss.

Capital work-in-progress represents cost of property, plant and equipment that are not yet ready for their intended use and are carried at cost determined as aforesaid.

**g) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalised and the expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates to be adjusted prospectively. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The Company does not have any intangible assets with indefinite useful lives.

Softwares are amortized on a straight line basis over a period of 4-5 years.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the

asset is derecognised.

**h) Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and wherever applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation on investment properties is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the assets recognised in the statement of profit and loss in the period of de-recognition.

**i) Inventories**

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

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials, components, stores and spares, packing materials and others: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first-out (FIFO) basis.
- Work in progress: cost includes cost of direct materials and labour and estimated overheads upto the stage of completion. Cost is determined on first-in, first-out (FIFO) basis.
- Finished goods: cost includes cost of direct



materials, labour, cost of manufacturing, cost of conversion and other costs incurred in finishing the goods. Cost is determined on first-in, first-out (FIFO) basis.

- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first-out (FIFO) basis.

Scrap is valued at estimated net realizable value.

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

#### j) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

#### k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are expensed in the period in which they occur and are recognised in the statement of profit and loss using the effective interest rate method.

#### l) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

##### The Company as a lessee

The Company's lease asset classes primarily consist of leases for Land, Buildings, Plant & Machinery including vehicles. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the

right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

##### The Company as a lessor

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are

substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases.

For leases under which the Company is an intermediate lessor, the Company accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

## m) Income taxes

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside of profit or loss is recognized outside of profit or loss [either in other comprehensive income (OCI) or in equity]. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the

temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Current tax and deferred tax relating to items recognised outside profit or loss are recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and tax liabilities on a net basis.





## n) Employee benefits

### Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### Other long-term employee benefits obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### Post-employment obligations

The Company operates the following post-employment schemes:

- i. Defined benefit plans in the nature of gratuity, and
- ii. Defined contribution plans such as provident fund.

### Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit

obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due.

## o) Exceptional Items

Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with Ind AS.

## p) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying



amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**q) Provisions, contingent liabilities and contingent assets**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognized in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize contingent liability but discloses its existence in

the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

**r) Financial instruments**

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

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified into four categories:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

**i. Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement; such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and



fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

#### ii. Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### iii. Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### iv. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-

instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investment in subsidiaries and joint ventures are carried at historical cost as per the accounting policy choice given by Ind AS 27.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's combined balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities and deposits;
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

## Financial liabilities

### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and borrowings, etc.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### i. Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

#### ii. Loans and borrowings

This is the category most relevant to

the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### s) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are measured at their fair values and recognised as income in the statement of profit and loss.

#### t) Accounting for foreign currency transactions

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

Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates that approximates the rate as at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates



prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in statement of profit and loss.

**u) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**v) Dividends**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**w) Earnings per share**

**Basic earnings per share**

Basic earnings per share are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

**Diluted earnings per share**

Diluted earnings per share is calculated by dividing the profit attributable to the shareholders of the Company (after adjusting the corresponding income/ charge for dilutive potential equity shares, if any) by the weighted average number of equity shares outstanding during the financial year plus the weighted average number of additional equity shares that would have been issued on conversion of all the dilutive potential equity shares.

statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Income taxes**

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

In assessing the realisability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realize the benefits of those deductible differences in future.

**4. Significant accounting judgments, estimates and assumptions**

The preparation of the Company's financial

### Useful lives of property, plant and equipment ('PPE') and intangible assets

Management reviews the estimated useful lives and residual value of PPE and Intangibles at the end of each reporting period. Factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

### Employee benefit obligations

The costs of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in

currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note No. 39.

### Contingencies

Management judgment of contingencies is based on the internal assessments and opinion from the consultants for the possible outflow of resources, if any.

## 5. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

## 6. Property, plant and equipment

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particular	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Property, plant and equipment</b>		
Owned Assets	14,928.02	15,768.50
Leased Assets	148.32	327.51
<b>Total</b>	<b>15,076.34</b>	<b>16,096.01</b>

### A) Owned Assets

Particulars	Freehold Land	Factory Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
<b>Gross Block</b>								
Balance as at 1st April 2019	2,253.48	5,994.08	3.48	12,144.10	139.87	613.31	570.89	21,719.22
Additions	-	-	-	1,397.33	-	2.51	33.81	1,433.66
Disposals / adjustments	-	-	-	(70.22)	-	-	(172.45)	(242.67)
Balance as at 31st March 2020	2,253.48	5,994.08	3.48	13,471.21	139.87	615.83	432.26	22,910.21
Additions	-	-	-	349.96	-	1.30	-	351.26
Disposals / adjustments	-	-	-	(79.39)	-	-	(32.70)	(112.10)
Balance as at 31st March 2021	2,253.48	5,994.08	3.48	13,741.77	139.87	617.13	399.55	23,149.37



(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Freehold Land	Factory Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
<b>Accumulated Depreciation</b>								
Balance as at 1st April 2019	-	1,141.70	3.48	4,160.37	90.84	540.69	284.36	6,221.45
Charge for the year	-	192.47	-	759.23	11.49	22.64	51.76	1,037.58
Disposals / adjustments	-	-	-	(22.67)	-	-	(94.64)	(117.31)
Balance as at 31st March 2020	-	1,334.16	3.48	4,896.93	102.33	563.33	241.48	7,141.71
Charge for the year	-	194.22	-	851.54	10.70	20.92	34.60	1,111.98
Disposals / adjustments	-	-	-	(16.86)	-	-	(15.49)	(32.35)
Balance as at 31st March 2021	-	1,528.38	3.48	5,731.61	113.04	584.24	260.59	8,221.34
<b>Net Block</b>								
As at 31st March 2020	2,253.48	4,659.92	-	8,574.28	37.54	52.50	190.78	15,768.50
As at 31st March 2021	2,253.48	4,465.70	-	8,010.17	26.83	32.89	138.96	14,928.02

**Note:** Property, plant and equipment have been mortgaged as security with banks against credit facilities of the Company.

## B) Leased Assets

Movements during the year:

Particulars	Right-of-Use Assets		Total
	Factory Buildings	Vehicles	
<b>Gross Block</b>			
Balance as at 1st April 2019	-	-	-
Reclassified on account of adoption of Ind AS 116 - April 1, 2019	420.85	29.25	450.10
Additions	-	-	-
Disposals / adjustments	-	-	-
Balance as at 31st March 2020	420.85	29.25	450.10
Additions	-	-	-
Disposals / adjustments	(187.20)	-	(187.20)
Balance as at 31st March 2021	233.65	29.25	262.90
<b>Accumulated Depreciation</b>			
Balance as at 1st April 2019	-	-	-
Additions	114.47	8.12	122.59
Disposals / adjustments	-	-	-
Balance as at 31st March 2020	114.47	8.12	122.59
Additions	59.76	9.95	69.70
Disposals / adjustments	(77.72)	-	(77.72)
Balance as at 31st March 2021	96.51	18.07	114.58
Net Block As at 31st March 2020	306.38	21.13	327.51
Net Block As at 31st March 2021	137.14	11.18	148.32

- i. The Company's leases mainly comprise of land and buildings, equipments and vehicles. The Company leases land and buildings for manufacturing and warehouse facilities.
- ii. The Company incurred Rs. 25.28 Lakhs for the year ended 31st March, 2021 towards expenses relating to short-term leases and leases of low-value assets.



## 7. Investment Property

(All amounts in Indian Rupees Lakhs unless otherwise stated)

<b>Gross Block</b>	
<b>Balance as at 1st April 2019</b>	<b>959.26</b>
Additions	8.93
Disposals / adjustments	-
<b>Balance as at 31st March 2020</b>	<b>968.19</b>
Additions	-
Disposals / adjustments	-
<b>Balance as at 31st March 2021</b>	<b>968.19</b>
<b>Accumulated Depreciation</b>	
<b>Balance as at 1st April 2019</b>	<b>16.75</b>
Charge for the year	6.74
Disposals / adjustments	-
<b>Balance as at 31st March 2020</b>	<b>23.49</b>
Charge for the year	4.99
Disposals / adjustments	-
<b>Balance as at 31st March 2021</b>	<b>28.49</b>
<b>Net Block</b>	
<b>As at 31st March 2020</b>	<b>944.70</b>
<b>As at 31st March 2021</b>	<b>939.70</b>

### i. Disclosures relating to fair valuation of Investment Property

Fair Value of Investment Property (Rs. in Lakhs)

<b>Particulars</b>	
<b>As at 31st March 2020</b>	<b>1,100.32</b>
<b>As at 31st March 2021</b>	<b>1,045.31</b>

As at 31st March 2021, the Fair Value of Investment Property is Rs. 1,045.31 Lakhs (P.Y. Rs. 1,100.32 Lakhs), which is based on valuation performed by the management on the basis of available market quotes/ prevalent property prices in the same and nearby localities.

Resulting fair value estimates for Investment Properties are included in Level 3. (Refer Note No. 46)

### ii. Amount recognised in Statement of Profit & Loss for investment property

<b>Particulars</b>	<b>31<sup>st</sup> March, 2021</b>	<b>31<sup>st</sup> March, 2020</b>
Rental Income derived from Investment Property	14.40	14.40
Direct operating expense (including repairs & maintenance) for property that generate rental income	-	-
Direct operating expenses (including repairs and maintenance) for property that did not generate rental income	-	-
Profit arising from investment properties before depreciation	14.40	14.40
Less: Depreciation	(4.99)	(6.74)
Profit arising from investment properties	9.41	7.66

iii. Investment Property have been mortgaged as security with banks against specific term loans of the Company.

iv. The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.



## 8. Intangible assets

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Computer Software
<b>Gross Block</b>	
Balance as at 1st April 2019	535.42
Additions	-
Disposals / adjustments	-
<b>Balance as at 31st March 2020</b>	<b>535.42</b>
Additions	-
Disposals / adjustments	-
<b>Balance as at 31st March 2021</b>	<b>535.42</b>
<b>Accumulated Amortisation</b>	
Balance as at 1st April 2019	510.51
Charge for the year	0.87
Disposals / adjustments	-
<b>Balance as at 31st March 2020</b>	<b>511.38</b>
Charge for the year	0.84
Disposals / adjustments	-
<b>Balance as at 31st March 2021</b>	<b>512.22</b>
<b>Net Block</b>	
As at 31st March 2020	24.04
As at 31st March 2021	23.19

## 9. Financial assets - Investments

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(A) Equity instruments (quoted)</b>		
<b>(At fair value through OCI)</b>		
Equity Shares of Bank of Baroda	0.02	0.02
<b>Total</b>	<b>0.02</b>	<b>0.02</b>
Aggregate amount of quoted investments	0.05	0.05
Aggregate market value of quoted investments	0.02	0.02
Aggregate amount of impairment in value of investments	-	-

## 10. Financial assets - Loans

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(a) Non current loans</b>		
Security deposits	100.76	112.55
Loans and advances to employees	4.79	5.40
<b>Total Non-current loans</b>	<b>105.55</b>	<b>117.95</b>
<b>(b) Current loans</b>		
Advances recoverable	83.17	241.42
Security deposits	11.76	74.75
<b>Total current loans</b>	<b>94.93</b>	<b>316.17</b>
<b>Break-up:</b>		
Considered good - Secured	-	-
Considered good - Unsecured	200.48	434.12
Unsecured, which have significant increase in credit risk	-	-
Unsecured, credit impaired	-	-
<b>Total</b>	<b>200.48</b>	<b>434.12</b>

## 11. Financial assets - Other financial assets

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Deposits with original maturity for more than 12 months (including interest accrued thereon)*	84.81	253.98
<b>Total</b>	<b>84.81</b>	<b>253.98</b>

\* Deposits are under bank lien for margin against non fund based working capital credit facilities.

## 12. Deferred Tax Assets/ (Liabilities)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>A Components of Deferred Tax Assets/ (Liabilities)</b>		
<b>Deferred Tax Assets</b>		
Carried forward losses and unabsorbed depreciation	5,036.93	2,672.43
Expenses allowable for tax purposes on payment basis	38.19	41.64
<b>Total</b>	<b>5,075.12</b>	<b>2,714.07</b>
<b>Deferred Tax Liabilities</b>		
Property, plant & equipment: impact of difference between tax depreciation and depreciation for financial reporting	1,400.14	1,397.12
Others	13.75	12.72
<b>Total</b>	<b>1,413.89</b>	<b>1,409.84</b>
<b>Deferred Tax Assets (Net)</b>	<b>3,661.23</b>	<b>1,304.23</b>
<b>B Reconciliation of movement in Deferred Tax Assets (Net)</b>		
Opening deferred tax assets/(liabilities)	1,304.23	2,078.18
Deferred tax credit/ (charge) recorded in statement of profit & loss	2,360.50	(662.74)
Deferred tax credit/ (charge) recorded in OCI	(3.50)	3.20
Unutilized MAT Credits Written Off	-	(114.41)
<b>Closing deferred tax assets/(liabilities)</b>	<b>3,661.23</b>	<b>1,304.23</b>



(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>C The income tax expenses for the year can be reconciled to the accounting profit as follows:</b>		
<b>Accounting profit/ (loss) before income tax</b>	<b>(21,820.81)</b>	<b>1,032.86</b>
Applicable Tax Rate	25.168%	25.168%
Computed Tax Expense	(5,491.86)	259.95
<b>TAX EFFECT OF:</b>		
Expenses Disallowed under Income Tax Act	3,420.58	33.55
Tax Allowances	(291.80)	(293.50)
Revaluation of Deferred Tax due to change in income tax rate	-	318.68
Others	2.59	344.05
Income Tax Expense	(2,360.50)	662.74
<b>Income Tax Expense reported in the Statement of Profit &amp; Loss</b>	<b>(2,360.50)</b>	<b>662.74</b>

### 13. Other non-current assets

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Capital advances (unsecured, considered good)	830.80	897.70
Others	20.54	15.19
<b>Total</b>	<b>851.34</b>	<b>912.89</b>

### 14. Inventories

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(valued at lower of cost and net realizable value)</b>		
Raw materials*	3,696.05	5,274.85
Work-in-progress	9,861.18	10,417.65
Finished goods	1,874.51	3,013.51
Stores and spares	15.58	61.74
<b>Total</b>	<b>15,447.33</b>	<b>18,767.75</b>

\*Raw materials includes goods-in-transit Rs. Nil (31st March 2020: Rs. Nil)

**Note:** Inventories have been hypothecated as security with banks against working capital credit facilities of the Company.

The inventories does not include the effect of evaluation of technical person appointed to evaluate quantum and reasons for variations in book inventory since the same is under process at the time of this balance sheet.

### 15. Financial assets - Trade receivables

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Trade Receivables</b>		
- Secured, considered good	-	-
- Unsecured, considered good	13,529.44	23,134.44
- Unsecured, which have significant increase in credit risk	-	-
- Unsecured, credit impaired	6,201.62	1,525.32
	<b>19,731.06</b>	<b>24,659.76</b>
Less: Allowance for credit impairment	(6,201.62)	(1,525.32)
<b>Total</b>	<b>13,529.44</b>	<b>23,134.44</b>

**Note:** Trade receivables have been hypothecated with banks against working capital credit facilities of the Company.

## 16. Financial assets - Cash and cash equivalents

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Balances with banks:</b>		
-In current accounts	592.24	14.51
-In unpaid dividend accounts	13.62	13.61
-Deposits with original maturity of 3 months or less (including interest accrued thereon)#	94.41	100.38
Cash in hand	8.42	29.23
<b>Total</b>	<b>708.68</b>	<b>157.73</b>

# Deposits are under bank lien for margin against non fund based working capital credit facilities.

## 17. Financial assets - Other bank balances

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Deposits with original maturity for more than 3 months but not more than 12 months (including interest accrued thereon)#	1,183.14	1,261.53
<b>Total</b>	<b>1,183.14</b>	<b>1,261.53</b>

# Deposits are under bank lien for margin against non fund based working capital credit facilities.

## 18. Financial assets - Others

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Other assets (other receivables)	7.29	347.17
<b>Total</b>	<b>7.29</b>	<b>347.17</b>

# Deposits are under bank lien for margin against non fund based working capital credit facilities.

## 19. Other current assets

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Balances with government authorities	1,253.54	739.19
Prepaid expenses	62.48	155.87
<b>Advances to supplier and vendors</b>		
-Unsecured considered good	4,056.72	4,632.31
-Unsecured considered Doubtful	10.24	10.24
Less : Allowance for credit impairment	(10.24)	(10.24)
<b>Total</b>	<b>5,372.73</b>	<b>5,527.37</b>



## 20. Share capital

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	As at	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Authorised share capital</b>		
17,50,00,000 (31st March 2020: 25,000,000) Equity shares of Rs. 10/- each	17,500.00	17,500.00
<b>Total</b>	<b>17,500.00</b>	<b>17,500.00</b>
<b>Issued, subscribed and fully paid up shares</b>		
16,027,457 (31st March 2020: 15,027,457) Equity shares of Rs. 10 each, fully paid up	1,602.75	1,502.75
Add: Forfeited shares - amount originally paid up	0.33	0.33
<b>Total</b>	<b>1,603.07</b>	<b>1,503.07</b>

### a) Reconciliation of shares outstanding at the beginning and at the end of reporting period

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No.	Rs. in Lakhs	No.	Rs. in Lakhs
Equity shares at the beginning of the year	1,50,27,457	1,502.75	1,50,27,457	1,502.75
Add : Shares issued the year	10,00,000	100.00	-	-
Equity shares at the end of the year	1,60,27,457	1,602.75	1,50,27,457	1,502.75
10,00,000 Equity Shares allotted at a price of Rs. 50/- each including premium of Rs. 40/- each having face value of Rs. 10/- each, on preferential issue to non promoters.				

### b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends only in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No.	% Holding	No.	% Holding
Amit Jain	51,47,995	32.12%	51,44,495	34.23%
GMO Emerging Domestic Opportunities Fund	-	-	7,91,870	5.27%
MVS Ananthkrishanan	10,00,000	6.24%	-	-
<b>Total</b>	<b>61,47,995</b>	<b>38.36%</b>	<b>59,36,365</b>	<b>39.50%</b>



## 21. Other Equity

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(i) Retained Earnings</b>		
Balance as at the beginning of the year	24,483.31	24,418.12
Profit/ (Loss) for the year	(19,460.31)	370.12
Remeasurement of post employment benefit obligation, net of tax	10.26	(9.35)
Equity dividend including taxes thereon	-	(181.16)
Unutilized MAT Credits Written Off	-	(114.41)
Balance as at the end of the year	5,033.26	24,483.31
<b>(ii) Securities Premium</b>		
Balance as at the beginning of the year	4,596.05	4,596.05
Addition/ (Reduction) during the year	400.00	-
Balance as at the end of the year	4,996.05	4,596.05
<b>(iii) Capital Redemption Reserve</b>		
Balance as at the beginning of the year	80.00	80.00
Balance as at the end of the year	80.00	80.00
<b>(iv) Capital Reserve</b>		
Balance as at the beginning of the year	744.28	744.28
Balance as at the end of the year	744.28	744.28
<b>(v) Other Reserves</b>		
Balance as at the beginning of the year	(0.01)	0.01
Addition/(reduction) during the year	0.01	(0.01)
Balance as at the end of the year	(0.00)	(0.01)
<b>Total Other Equity</b>	<b>10,853.59</b>	<b>29,903.64</b>

### Nature & Purpose of Other Equity

- (i) **Retained Earnings:** Retained Earnings represents profits generated and retained by the company post distribution of dividends to the equity shareholders in the respective years. Retained earnings can be utilized for distribution of dividends by the Company considering the requirements of the Companies Act, 2013.
- (ii) **Securities Premium:** Securities premium is used to record the premium on issue of shares.
- (iii) **Capital Redemption Reserve:** Capital Redemption Reserve was created for redemption of capital.
- (iv) **Capital Reserve:** Capital Reserve has been created on account of amalgamation.
- (v) **Other Reserves:** The Company has elected to recognise changes in the fair value of investments in equity instruments in other comprehensive income. These changes are accumulated within the FVTOCI equity investments within equity.





## 22. Financial liabilities - Non-current borrowings

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Secured</b>		
Term loan from banks	7,288.07	6,930.26
Term loan from others	1,666.00	366.42
<b>Total (A)</b>	<b>8,954.08</b>	<b>7,296.68</b>
<b>Total borrowings</b>	<b>8,954.08</b>	<b>7,296.68</b>
<b>Current maturities (included in Note No. 26)</b>	<b>2,831.51</b>	<b>1,375.09</b>
<b>Non-current</b>	<b>6,122.57</b>	<b>5,921.59</b>

### Note:

- (i) Due to the adverse impact of COVID-19 on business operations and working of the Company, the accounts of the Company have turned irregular and the Company has defaulted in repayment of borrowings and interest to Banks/ Financial Institutions.  
Further, one of the Lenders of the Company have classified the account of the Company as non-performing. The Company has filed a representation with the Lender challenging the Lender's wrongful action of classifying Company's account as non-performing.
- (ii) Term loans from banks and others are repayable in monthly/quarterly installments. These term loans are secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of industrial property of the Company located at Baddi, Himachal Pradesh and second pari passu charge entire current assets of the Company, both present and future. These loans are further secured by personal guarantees of Directors/ Relatives.

## 23. Provisions

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Provision for gratuity	73.68	79.93
Provision for leave encashment	31.73	35.51
<b>Total</b>	<b>105.41</b>	<b>115.44</b>
<b>Current</b>	<b>20.63</b>	<b>23.18</b>
<b>Non-current</b>	<b>84.78</b>	<b>92.26</b>

## 24. Financial liabilities - Current borrowings

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Secured</b>		
Working capital facilities from Banks	21,354.37	17,062.31
Working capital facilities from Others	774.43	700.00
<b>Unsecured</b>		
Bills discounted from banks	-	2,879.39
Loan from directors	0.20	19.80
<b>Total</b>	<b>22,128.99</b>	<b>20,661.50</b>

### Note:

- (i) Due to the adverse of COVID-19 on business operations and working of the Company, the accounts of the Company have turned irregular with some banks / Financial Institutions. Further, one of the Lenders of the Company have classified the account of the Company as non-performing. The Company has filed a representation with the Lender's wrongful action of classifying Company's account as non-performing.
- (ii) Working capital facilities from banks and others are secured by way of first pari-passu charge on current assets of the Company, both present and future, first paripassu charge on land & building and movable fixe assets of the company located at Faridabad (Haryana), second pari-passu charge on land & building and movable fixed assets of the Company at Baddi (Himachal Pradesh) and these facilities are further secured by collaterals given by directors and thier friends and relatives with their personal guarantees.

## 25. Financial liabilities - trade payables

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Current</b>		
Total outstanding dues of micro enterprises & small enterprises*	788.27	1,033.17
Total outstanding dues of creditors other than micro & small enterprises	10,930.91	7,297.67
<b>Total</b>	<b>11,719.18</b>	<b>8,330.84</b>

**Note:** The amount of trade payables includes channel finance obtained from Bank of India which is overdue.

### Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(a) Principal amount remaining unpaid to any supplier at the end of the accounting year	788.27	1,033.17
(b) Interest due thereon remaining unpaid to any supplier at the end of the accounting year	67.18	19.19
(c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year	67.18	19.19
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	67.18	19.19

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "suppliers"/ informations available with the company regarding their status under the Micro, Small and Medium Enterprises Development Act 2006.

## 26. Other financial liabilities

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Non-Current</b>		
Lease Liabilities*	135.71	215.36
<b>Current</b>		
Current maturities of non- current borrowings (refer to Note No.: 22)	2,831.51	1,375.09
Interest accrued but not due on borrowings	14.67	43.34
Dividend payable	13.62	13.61
Lease Liabilities*	35.54	136.74
Other payables	984.70	1,212.87
<b>Total</b>	<b>4,015.74</b>	<b>2,997.01</b>



(All amounts in Indian Rupees Lakhs unless otherwise stated)

**\* Disclosures as required by Ind AS 116, Leases, are stated below:**

- i. Movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020:

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
<b>Balance as at 1st April 2020</b>	<b>352.11</b>	-
Additions	-	450.10
Finance cost accrued during the period	26.49	49.29
Disposals / adjustments	(119.70)	-
Payment of lease rentals	(87.65)	(147.28)
<b>Balance as at 31st March 2021</b>	<b>171.25</b>	<b>352.11</b>

- ii. The details of the contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020 on an undiscounted basis are as follows:

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Less than 1 Years	59.06	119.11
1 to 5 Years	77.49	117.27
More than 5 Years	155.46	190.13
<b>Balance as at 31st March 2021</b>	<b>292.00</b>	<b>426.51</b>

**27. Other current liabilities**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Statutory dues payable	109.96	38.71
Advances from customers	749.71	304.34
<b>Total</b>	<b>859.67</b>	<b>343.05</b>

**28. Revenue from operations**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Sales of products	20,170.26	49,829.48
<b>Total</b>	<b>20,170.26</b>	<b>49,829.48</b>

**Note:**

- (i) Revenue from contract with customers differ from the revenue as per contracted price due to factors such as taxes recovered, volume rebate, discounts, etc.

**29. Other income**

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Freight & cartage outward recovered	142.34	1,007.88
Interest received	180.37	222.15
Interest income from financial assets at amortized cost	1.95	3.05
Rent received	60.55	61.14
Miscellaneous receipts	46.22	88.51
Income from Derecognition of lease Liability	10.40	-
<b>Total</b>	<b>441.83</b>	<b>1,382.73</b>

### 30. Cost of raw material consumed

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
<b>Raw material</b>		
Opening stock	5,274.85	5,335.09
Add: Purchases	16,811.90	38,325.47
Less: Closing stock	(3,696.05)	(5,274.85)
<b>Total (A)</b>	<b>18,390.70</b>	<b>38,385.71</b>
<b>Stores, spares and packing materials</b>		
Opening stock	61.74	110.74
Add: Purchases	204.97	1020.04
Less: Closing stock	(15.58)	(61.74)
<b>Total (B)</b>	<b>251.13</b>	<b>1,069.04</b>
<b>Total Cost of raw material consumed [A+B]</b>	<b>18,641.83</b>	<b>39,454.75</b>

### 31. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Opening stock of finished goods	3,013.51	2,823.83
Less: Closing stock of finished goods	(1,874.51)	(3,013.51)
<b>Total (A)</b>	<b>1,138.99</b>	<b>(189.68)</b>
Opening stock of work-in-progress	10,417.65	7,903.34
Less: Closing stock of work-in-progress	(9,861.18)	(10,417.65)
Less: Exceptional Items	(620.72)	-
<b>Total (B)</b>	<b>(64.24)</b>	<b>(2,514.31)</b>
<b>Total changes in inventories of finished goods, work-in-progress and stock-in-trade [C=A+B]</b>	<b>1,074.75</b>	<b>(2,703.99)</b>

### 32. Employee benefits expense

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Director's remuneration	60.24	132.36
Salaries, wages, bonus and other benefits	1,104.63	1,954.24
Contribution to provident and other funds	25.30	33.00
Workmen and staff welfare expenses	29.30	58.58
<b>Total</b>	<b>1,219.48</b>	<b>2,178.18</b>

\* Managerial Remuneration paid to the Directors for the current year ended March 31, 2021 exceeded the permissible limits as prescribed under section 197 read with Schedule V of the Companies Act, 2013 by Rs.60.24 lacs. The Company will seek to obtain the approval for the said amount by way of a Special Resolution by the Members for remuneration paid under Section 197(10) of the Companies Act, 2013.

\* Managerial Remuneration paid to Chairman cum Managing Director for the current year ended March 31, 2020 exceeded the permissible limits as prescribed under section 197 read with Schedule V of the Companies Act, 2013 by Rs.57.17 lacs. The Company will seek to obtain the approval for the said amount by way of a Special Resolution by the Members for remuneration paid under Section 197(10) of the Companies Act, 2013.



### 33. Finance costs

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Interest expenses	3,733.20	3,722.68
Interest on Lease Liability	26.49	49.29
Other financial charges	770.29	228.89
<b>Total</b>	<b>4,529.99</b>	<b>4,000.86</b>

### 34. Depreciation and amortization expense

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Depreciation on property plant & equipment (owned assets)	1,111.98	1,037.58
Depreciation on property plant & equipment (leased assets)	69.70	122.59
Depreciation on investment property	4.99	6.74
Amortisation of intangible assets	0.84	0.87
<b>Total</b>	<b>1,187.52</b>	<b>1,167.78</b>

### 35. Other expenses

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
<b>Manufacturing expenses:</b>		
Power & fuel charges	325.14	708.88
Job work charges	79.83	48.18
Other manufacturing expenses	123.77	229.10
Repairs to building	14.90	21.91
Repairs to plant and machinery	42.43	175.96
Repair and maintenance other assets	14.28	40.19
<b>Total (A)</b>	<b>600.35</b>	<b>1,224.22</b>
<b>Administrative and selling expenses:</b>		
Auditors' remuneration & refreshments*	5.75	6.17
Advertisement and publicity	1.44	1.72
Computer expenses	1.08	3.82
Conveyance expenses	25.22	56.47
Donation	3.24	2.62
Exchange Rate Fluctuation	18.79	-
Fees, rates and taxes	26.38	61.50
Festival expenses	1.59	3.93
Freight & cartage outward	279.90	1,056.17
Insurance charges	46.43	25.40
Legal & professional fees	130.98	232.47
Listing compliance & fees	19.41	9.40
Meeting expenses	1.02	2.42
Miscellaneous expenses	25.07	24.70



(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Postage & courier charges	3.03	4.47
Printing & stationery	4.12	14.26
Penalty and Fines	0.12	-
Rent	25.28	42.03
Security service charges	49.44	52.76
Telephone and telecommunication charges	12.31	14.39
Tour and travelling expenses	2.30	76.49
Amounts written off	44.78	3.55
Corporate social responsibility expenses#	61.05	75.75
Selling expenses	178.88	893.73
<b>Total (B)</b>	<b>967.60</b>	<b>2,664.21</b>
<b>Total other expenses [C=A+B]</b>	<b>1,567.95</b>	<b>3,888.43</b>

**\* Payment to Auditors**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>As auditor:</b>		
i) Audit fees	5.00	5.00
ii) Fees for income tax matters	-	0.59
iii) Certification charges & others	0.77	1.23
<b>Total</b>	<b>5.77</b>	<b>6.82</b>

**# Corporate social responsibility expenses**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Gross amount required to be spent by the Company (as per Section 135 of Companies Act, 2013) during the year	60.98	74.51
<b>Amount spent during the year</b>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	61.05	75.75

## 36. Employee benefit obligations

### A) Defined benefit plans

**Gratuity:**

Provision for gratuity is determined based on actuarial valuation using projected unit credit method.

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

**Leave encashment:**

The company provides for leave encashment subject to certain rules. The employees are entitled to accumulate leaves subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leaves at each balance sheet date on the basis of an independent actuarial valuation.





The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i. **Changes in the present value of the defined benefit obligation are as follows:**

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Gratuity Funded	Leave Encashment
<b>Defined benefit obligation as at 1 April 2019</b>	<b>94.60</b>	<b>27.36</b>
Interest expense	6.62	1.91
Current service cost	16.17	10.21
Benefits paid	(36.97)	(9.15)
Actuarial (gain)/ loss	12.35	5.18
<b>Defined benefit obligation as at 31st March 2020</b>	<b>92.78</b>	<b>35.51</b>
Interest expense	6.49	2.49
Current service cost	12.33	6.76
Benefits paid	(10.41)	(3.93)
Actuarial (gain)/ loss	13.83	(9.09)
<b>Defined benefit obligation as at 31st March 2021</b>	<b>115.02</b>	<b>31.73</b>

ii. **The amount to be recognized in the Balance Sheet:**

Particulars	Gratuity Funded	Leave Encashment
Present value of obligation	92.78	35.51
Fair value of plan assets	12.85	-
<b>Net (assets) / liability recognized in balance sheet as provision as at 31st March 2020</b>	<b>79.93</b>	<b>35.51</b>
Present value of obligation	87.36	31.73
Fair value of plan assets	13.68	-
<b>Net (assets) / liability recognized in balance sheet as provision as at 31st March 2021</b>	<b>73.68</b>	<b>31.73</b>

iii. **Amount recognised in Statement of Profit and Loss:**

Particulars	Gratuity Funded	Leave Encashment
Interest Cost	6.62	1.91
Current service cost	16.17	10.21
Actuarial (gain)/loss - obligation	-	5.18
Expected return on plan asset	(0.90)	-
<b>Amount recognised in Statement of Profit and Loss for year ended 31st March 2020</b>	<b>21.89</b>	<b>17.31</b>
Interest Cost	6.49	2.49
Current service cost	12.33	6.76
Actuarial (gain)/loss - obligation	-	(9.09)
Expected return on plan asset	(0.90)	-
<b>Amount recognised in Statement of Profit and Loss for year ended 31st March 2021</b>	<b>17.92</b>	<b>0.15</b>

**iv. Amount recognised in Other Comprehensive Income:**

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Gratuity Funded	Leave Encashment
Actuarial (gain)/ loss on obligations	12.35	-
Actuarial (gain)/ loss on plan assets	0.20	-
<b>Amount recognised in Other comprehensive income for year ended 31st March 2020</b>	<b>12.55</b>	<b>-</b>
Actuarial (gain)/ loss on obligations	(13.83)	-
Actuarial (gain)/ loss on plan assets	0.07	-
<b>Amount recognised in Other comprehensive income for year ended 31st March 2021</b>	<b>(13.76)</b>	<b>-</b>

**v. Changes in the fair value of plan assets are as follows:**

Particulars	Gratuity Funded	Leave Encashment
<b>Fair value of plan assets as at 1st April 2019</b>	<b>12.90</b>	<b>Nil</b>
Expected return on plan assets	0.90	Nil
Contributions	5.00	Nil
Benefits Paid	(5.76)	Nil
Actuarial gain/(loss)	(0.20)	Nil
<b>Fair value of plan assets as at 31st March 2020</b>	<b>12.85</b>	<b>-</b>
Expected return on plan assets	0.90	Nil
Contributions	-	Nil
Benefits Paid	-	Nil
Actuarial gain/(loss)	(0.07)	Nil
<b>Fair value of plan assets as at 31st March 2021</b>	<b>13.68</b>	<b>-</b>

**vi. The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Investment details</b>	<b>Gratuity</b>	<b>Gratuity</b>
Investment with Insurer	100%	100%

**vii. The principal assumptions used in determining gratuity & leave encashment obligations for the company's plans are shown below:**
**Gratuity & leave encashment**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Discount rate	7.00% p.a.	7.00% p.a.
Employee turnover rate	5.00% p.a.	5.00% p.a.
Salary growth rate	5.00% p.a.	5.00% p.a.

**viii. Sensitivity analysis:**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible.



Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	Gratuity Funded	Leave Encashment	Gratuity Funded	Leave Encashment
Liability with 1% increase in discount rate	82.81	29.66	87.56	32.98
Liability with 1% decrease in discount rate	92.56	34.10	98.74	38.41
Liability with 1% increase in salary growth rate	92.61	34.12	98.80	38.44
Liability with 1% decrease in salary growth rate	82.68	29.61	87.42	32.92

#### ix. Risk exposure:

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below :

##### Investment risk :

If future investment returns on assets are lower than assumed in valuation, the scheme's assets will be lower, and the funding level higher than expected.

##### Changes in bond yields :

A decrease in yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

##### Longevity risk :

If improvements in life expectancy are greater than assumed, the cost of benefits will increase. This will mean the funding level will be higher than expected.

##### Inflation risk :

Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at managements discretion may lead to uncertainties in estimating this risk.

#### x. Maturity Analysis of defined benefit obligation

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
0-1 Year	16.49	19.67
1-2 Year	20.69	4.14
2-3 Year	5.92	17.12
3-4 Year	1.35	4.72
4-5 Year	3.04	1.87
5 Year Onwards	39.87	45.26

#### B) Defined contribution plans

The Company has certain defined contribution plans for the benefit of the employees.

The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The expense recognised during the year towards defined contribution plans is:

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Employer's contribution to provident fund	5.81	8.17
Employer's contribution to ESI	1.96	3.41
Employer's contribution to NPS	15.27	18.56
<b>Total</b>	<b>23.05</b>	<b>30.14</b>

### 37. Segment information

The Company's operations predominately relate to cables and accordingly this is the only reportable segment as per Ind AS 108 "Operating Segments".

#### Geographical information

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>(i) Revenue from external customers</b>		
- Within India	19,803.28	49,011.12
- Outside India	366.97	818.36
<b>Total revenue per statement of profit and loss</b>	<b>20,170.26</b>	<b>49,829.48</b>
The revenue information above is based on the locations of the customers.		
<b>(ii) Non-current operating assets</b>		
- Within India	16,338.95	17,695.70
- Outside India	-	-
<b>Total</b>	<b>16,338.95</b>	<b>17,695.70</b>

Non-current operating assets for this purpose consist of property, plant and equipment, capital work-in-progress, investment properties, and intangible assets.

### 38.

#### A) Related Party Disclosures

In accordance with the requirements of Indian Accounting Standard (Ind AS) - 24 'Related Party Disclosures' the names of the related parties where control exists/ able to exercise significant influence along with the aggregate transactions and year end balance with them as identified by the management in the ordinary course of business and on arms' length basis are given below:

##### a) Key Management Personnel (KMP):

Mr. Amit Jain	:	Chairman cum Managing Director
Mr. V. K. Gupta	:	Whole Time Director (resigned w.e.f 5th October 2020)
Mr. Pyare Lal Khanna	:	Non-Executive Non-Independent Director (resigned w.e.f 30th September, 2019)
Mr. Manoj Bishan Mittal	:	Non-Executive Independent Director
Mr. Kishor Punamchand Ostwal	:	Non-Executive Independent Director (resigned w.e.f 18th November, 2019)
Mrs. Archana Bansal	:	Non-Executive Independent Director (resigned w.e.f 28th May, 2019)



Ms. Charu Jain	:	Non-Executive Independent Director (joined w.e.f 28th May, 2019)
Mr. Anil Arora	:	Non-Executive Independent Director (resigned w.e.f 26 August, 2020)
Mr. Kunal Singhal	:	Non-Executive Non-Independent Director (joined w.e.f 31st March, 2020)
Mr. Rattan Lal Aggarwal	:	Chief Financial Officer (resigned w.e.f 1st April, 2020)
Mr. Subodh Kumar Barnwal	:	Company Secretary
Ms. Tanya Kukreja	:	Company Secretary (till 13th May, 2019)

**b) Enterprises over which KMP/ relatives of KMP have significant influence:-**

Wire House	:	Proprietorship concern of relative of director
Parshwanath Cables Pvt. Ltd.	:	Company in which a relative of a director is director
Robotech Pvt. Ltd.	:	Company in which a director of the company is a director
Himani Metals LLP	:	LLP in which a director of the company is a partner
Orkus Pvt. Ltd.	:	Company in which a director of the company is a director

**B) The transactions with related parties during the year and their outstanding balances are as follow:**

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Key Management Personnel (KMP)		Other Related Parties		Total	
	2021	2020	2021	2020	2021	2020
Short-term employee benefits	81.20	195.64	-	-	81.20	195.64
Interest paid/payable	-	-	-	-	-	-
Lease rent paid/payable	10.50	9.75	-	-	10.50	9.75
Rent received/receivable	-	-	-	-	-	-
JobWork charges paid/payable	-	-	-	-	-	-
Purchases	-	-	98.21	286.63	98.21	286.63
Sales	-	-	1.13	320.76	1.13	320.76
<b>Finance</b>						
Unsecured loans received	45.00	213.00	-	-	45.00	213.00
Unsecured loans paid back	64.60	193.95	-	-	64.60	193.95
Advances paid	-	-	39.80	35.40	39.80	35.40
Advances received back	0.18	-	45.80	75.40	45.98	75.40
<b>Year End Balances</b>						
Closing debit balances	5.50	4.18	464.78	464.81	470.28	468.99
Closing credit balances	0.20	24.70	8.80	53.10	9.00	77.80

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. For the year ended 31st March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2020: Nil)



### 39. Earnings per share (EPS)

**Basic EPS** amounts are calculated by dividing the profit for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

**Diluted EPS** amounts are calculated by dividing the profit for the year attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Profit/(loss) for the year	(19,460.31)	370.12
Nominal value of equity share (INR)	10.00	10.00
Weighted average number of equity shares in calculating basic EPS (absolute value in number)	1,51,48,005	1,50,27,457
Basic EPS (Rs.)	(128.47)	2.46
Nominal value of equity share (INR)	10.00	10.00
Weighted average number of equity shares in calculating diluted EPS (absolute value in number)	1,51,48,005	1,50,27,457
Diluted EPS (Rs.)	(128.47)	2.46

### 40. Capital commitments

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL	NIL

### 41. Contingent liabilities

Contingent liabilities are not provided for in the accounts and are disclosed by way of notes herein below:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
i) Counter guarantee given to Company's bankers for the guarantee given by them on behalf of the Company (net of advances)	3,949.53	5,357.59
ii) Pending suit in court filed by parties for alleged demand for recovery.	1,181.25	1,738.77

### 42. Research and development expenditure

The Company has incurred the following expenses on research and development activity:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Capital expenditure</b>		
- Plants and machinery - capitalized during the year	-	-
<b>Revenue expenditure</b>	<b>2.66</b>	<b>9.89</b>
<b>Total</b>	<b>2.66</b>	<b>9.89</b>



### 43. Dividend

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	As at	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Cash dividends on equity shares declared and paid:</b>		
Final dividend for the year ended on 31st March 2020: Rs. 0.50 per share (31st March 2019: Rs. 1 per share)	-	150.27
Dividend Distribution Tax on final dividend	-	30.89
	-	<b>181.16</b>
<b>Proposed dividends on equity shares:</b>		
Final dividend for the year ended on 31st March 2021: Rs. Nil per share (31st March 2020: Rs. 0.50 per share)	-	75.14
	-	<b>75.14</b>

Proposed dividend on equity shares is subject to approval at the ensuing annual general meeting and is not recognised as a liability as at year end.

### 44. Derivatives instruments

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

#### a) Foreign currency receivables as at the reporting date:

Particulars	Currency	As at	
		31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Export of goods	USD	0.53	1.96
	Rs.	40.61	147.89

#### b) Foreign currency payables as at the reporting date:

Particulars	Currency	As at	
		31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Import of goods	USD	-	0.20
	Rs.	-	14.84

### 45. Fair Values

#### a) Financial instruments by category:

The carrying amounts and fair values of financial instruments are as follows:

Particulars	Carrying Value/ Fair Value					
	31 <sup>st</sup> March, 2021			31 <sup>st</sup> March, 2020		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial assets</b>						
<b>Non-current assets</b>						
Investments	-	0.02	-	-	0.02	-
Loans	-	-	105.55	-	-	117.95
Other Financial Assets	-	-	84.81	-	-	253.98

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Carrying Value/ Fair Value					
	31 <sup>st</sup> March, 2021			31 <sup>st</sup> March, 2020		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Current assets</b>						
Trade receivables	-	-	13,529.44	-	-	23,134.44
Cash and cash equivalents	-	-	708.68	-	-	157.73
Other bank balances	-	-	1,183.14	-	-	1,261.53
Loans	-	-	94.93	-	-	316.17
Others financial assets	-	-	7.29	-	-	347.17
<b>Total</b>	-	<b>0.02</b>	<b>15,713.84</b>	-	<b>0.02</b>	<b>25,588.98</b>
<b>Financial liabilities</b>						
<b>Non-current</b>						
Borrowings	-	-	6,122.57	-	-	5,921.59
Other financial liabilities	135.71	-	-	215.36	-	-
<b>Current</b>						
Borrowings	-	-	22,128.99	-	-	20,661.50
Trade payables	-	-	11,719.18	-	-	8,330.84
Other financial liabilities	35.54	-	3,844.49	136.74	-	2,644.90
<b>Total</b>	<b>171.25</b>	-	<b>43,815.23</b>	<b>352.11</b>	-	<b>37,558.83</b>

The carrying amounts of financial assets and liabilities carried at amortised cost are reasonable approximation of their fair values.

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, trade payables and unpaid dividends at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

**b) Fair value hierarchy:**

The fair value of financial instruments as referred to in note (a) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

For assets and liabilities which are measured at fair value as at Balance Sheet date, the classification of fair value calculations by category is summarised below:



(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	31 <sup>st</sup> March, 2021			31 <sup>st</sup> March, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Assets for which fair values are disclosed</b>						
- Investment properties*	-	-	1,045.31	-	-	1,100.32
<b>Financial assets measured at fair value</b>						
- Investments in Quoted Equity Instruments	0.02	-	-	0.02	-	-
<b>Financial liabilities measured at fair value</b>						
- Lease Liabilities	-	171.25	-	-	352.11	-

\*There have been no transfers among Level 1, Level 2 and Level 3 during the financial year.

### c) Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2020.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

# The fair values of investment in quoted investment in equity shares is based on quoted price of respective investment as at the Balance Sheet date.

# Other financial assets and liabilities

- Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.
- Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

## 46. Financial Risk Management

The Company's business activities are exposed to market risk, credit risk and liquidity risk. The Company's senior management looks after the management of these risks. The Company's senior management is responsible to ensure that Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### a) Market risk

Market Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. Financial instruments affected by market risk include loans & borrowings, deposits & Investments.

#### i. Interest Rate Risk

Interest Rate Risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interests rate primarily relates to the Company's long-term debt obligations with floating interest rates. The Company's policy is to manage its interest cost using a mix of balanced portfolio of fixed and variable/ floating rate borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on borrowings at variable/ floating interest rates. With all the other variables held constant, the Company's profit/ (loss) before tax is

affected through the impact on floating rate borrowings, as follows:

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Interest rate sensitivity	Increase / Decrease in Basis points	Effect on profit/ (loss) before tax
<b>31-Mar-21</b>		
MCLR	+50	(112.39)
MCLR	-50	112.39
<b>31-Mar-20</b>		
MCLR	+50	(90.41)
MCLR	-50	90.41

Sensitivity is calculated based on the assumption that amount outstanding as at reporting date were utilised for the whole financial year.

## ii. Foreign Currency Risk

Foreign Currency Risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company has sales and purchases from outside India. The Company has transactional currency exposures arising from sales and purchases by an operating unit in currencies other than the unit's functional currency.

Exposures in foreign currency are managed through a natural hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company strives to achieve asset liability offset of foreign currency exposures.

The following table demonstrates the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit/ (loss) before tax is due to changes in the fair value of monetary assets and liabilities. With all the other variables held constant, the Company's profit/ (loss) before tax is affected through the impact of change of foreign currency rate as follows-

Unhedged foreign currency sensitivity	Changes in USD	Effect on profit/ (loss) before tax
31-Mar-21	+5%	2.03
	-5%	(2.03)
31-Mar-20	+5%	6.65
	-5%	(6.65)

## iii. Price Risk

### Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of copper, aluminium, PVC/PE, etc. These inputs are procured based on monthly average prices and the same are further protected with price escalation clause for cables being supplied to various customers.

The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

### Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.



At the reporting date, the Company's exposure to unlisted equity securities at fair value was Rs. Nil.

## (b) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans, other financial assets and financial guarantees.

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on credit rating and individual credit limits are defined in accordance with credit assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The assessment is based on historical information of defaults. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

The Company's customer profile includes public sector enterprises, state owned companies and private corporates. Accordingly, the Company's customer credit risk is low to medium.

The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. Based on assessment performed, management has concluded that the current provision made against trade receivables is adequate to cover the provision on account of expected credit loss.

The Company assesses the recoverability of other financial assets, potentially subject to credit risk, on regular basis. Factors such as business and financial performance of counterparty, their ability to repay, regulatory changes and overall economic conditions are considered to assess future recoverability.

## (c) Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset.

Company monitors their risk of shortage of funds using cash flow forecasting models. These models consider the maturity of their financial investments, committed funding and projected cash flows from operations.

The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner. A balance between continuity of funding and flexibility is maintained through the use of bank borrowings. The Company also monitors compliance with its debt covenants.

The tables below provide details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

### As at 31st March, 2021

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Carrying amount	Payable on demand	0-1 year	1-5 years	More than 5 years
Borrowings	31,083.07	22,128.99	2,831.51	5,948.20	174.37
Trade payables	11,719.18	-	11,719.18	-	-
Other Financial liabilities	1,184.23	-	1,058.13	21.09	105.01
<b>Total</b>	<b>43,986.48</b>	<b>22,128.99</b>	<b>15,608.81</b>	<b>5,969.29</b>	<b>279.39</b>



As at 31st March, 2020

(All amounts in Indian Rupees Lakhs unless otherwise stated)

Particulars	Carrying amount	Payable on demand	0-1 year	1-5 years	More than 5 years
Borrowings	27,958.18	17,782.11	4,254.48	5,794.10	127.49
Trade payables	8,330.84	-	8,330.84	-	-
Other Financial liabilities	1,621.92	-	1,443.19	178.74	-
<b>Total</b>	<b>37,910.94</b>	<b>17,782.11</b>	<b>14,028.50</b>	<b>5,972.84</b>	<b>127.49</b>

47. The losses which are of exceptional nature i.e. which are not operational/normal losses and were booked in reporting period have been disclosed separately under "Exceptional items".

#### 48. Capital management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and Current and Non- Current borrowings.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio optimum. Net debt are non-current and current borrowings as reduced by cash and cash equivalents and other bank balances. Equity comprises all components including other comprehensive income.

The following table summarizes the capital of the Company:

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Cash and cash equivalents	708.68	157.73
Other bank balances	1,183.14	1,261.53
<b>Total (a)</b>	<b>1,891.82</b>	<b>1,419.27</b>
Non-current borrowings	6,122.57	5,921.59
Current borrowings	24,960.50	22,036.59
Interest accrued but not due on borrowings	14.67	43.34
Lease Liabilities	171.25	352.11
<b>Total (b)</b>	<b>31,268.99</b>	<b>28,353.63</b>
<b>Net debt [c=b-a]</b>	<b>29,377.17</b>	<b>26,934.36</b>
Total Capital (d)	12,456.67	31,406.71
Capital and net debt [e=c+d]	41,833.84	58,341.07
<b>Gearing ratio [c/e]</b>	<b>70.22%</b>	<b>46.17%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2021 and 31st March, 2020.



- 49.** Figures are rounded off to nearest rupees in Lakhs.
- 50.** The financial statements were approved for issue by the Board of Directors on August 12, 2021.
- 51.** The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

As per our report of even date attached  
For **Krishna Neeraj & Associates**  
Chartered Accountants  
FRN: 023233N

Sd/-  
**(CA. Krusshna Neeraj)**  
Partner  
Membership No.: 506669

Place: New Delhi  
Date: August 12, 2021

For and on behalf of the Board of Directors

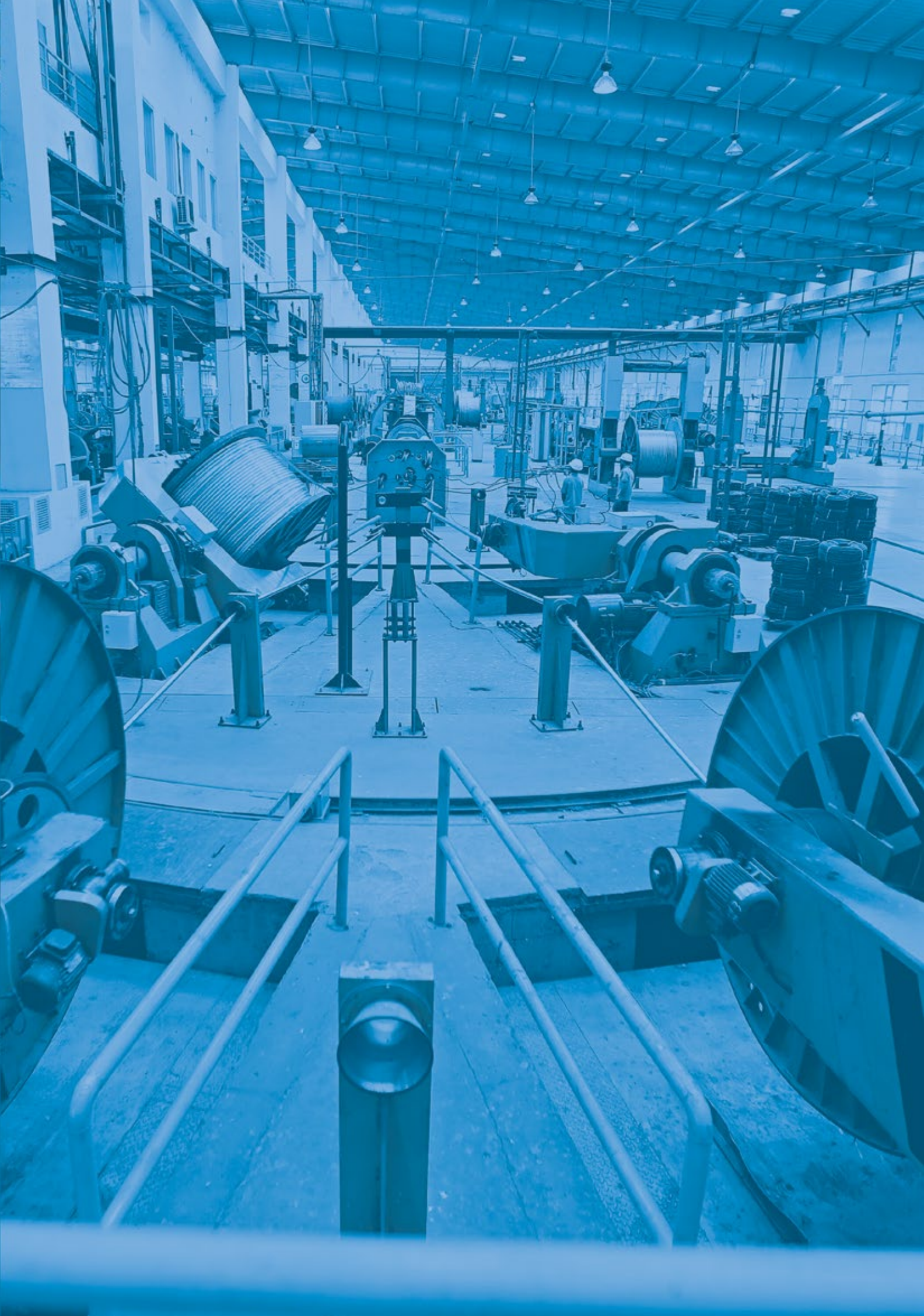
Sd/-  
**Amit Jain**  
Chairman cum Managing Director  
DIN: 00041300

Sd/-  
**Subodh Kumar Barnwal**  
Company Secretary  
M. No.: A21928

Sd/-  
**Kunal Singhal**  
Director  
DIN: 08140142

Sd/-  
**Raj Kumar**  
C.F.O.







An ISO 9001, ISO 14001 & BS ISO 45001 Company  
CIN: L74899DL1967PLC018031

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Email: [info@cmilimited.in](mailto:info@cmilimited.in); Website: [www.cmilimited.in](http://www.cmilimited.in)