

# 38<sup>th</sup> ANNUAL REPORT 2019-2020



RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED JAIPUR  
**REIL** *Shaping Rural India  
 through Electronics, Renewable Energy & IT Solutions*

# RAJASTHAN ELECTRONICS AND INSTRUMENTS LTD., JAIPUR

## FIGURES AT A GLANCE

(₹ in Lakh)

PARTICULARS	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
<b>OVERVIEW OF PROFIT</b>					
<b>HOW EARNED</b>					
Sales Revenue	21431.51	23036.60	24287.72	26931.33	11091.30
Other Income	304.57	266.90	192.23	197.31	120.78
<b>Total Turnover</b>	<b>21736.08</b>	<b>23303.50</b>	<b>24479.95</b>	<b>27128.64</b>	<b>11212.08</b>
<b>HOW SPENT/RETAINED</b>					
Material Cost	13586.22	14327.66	15280.36	17103.47	6112.10
Employment Cost	2527.97	2563.94	3351.75	3436.40	3528.35
Excise Duty	157.68	187.06	31.63	0.00	0.00
Other Expenses	3347.66	4121.21	4898.15	4856.70	4193.07
Depreciation	183.24	183.27	188.13	188.13	183.27
Finance Costs	155.57	182.95	107.48	108.07	132.04
	<b>19958.34</b>	<b>21566.09</b>	<b>23857.50</b>	<b>25692.77</b>	<b>14148.83</b>
<b>Net Profit/(Loss) before Tax</b>	1777.74	1737.41	622.45	1435.87	(2936.75)
Profit/(Loss) after tax	1222.67	1214.85	401.65	1027.90	(1706.63)
Dividend (including tax)	506.87	590.00	295.00	295.00	-
<b>WHAT WE OWN</b>					
<b>Fixed Assets</b>					
Gross Block	3489.11	4316.77	4531.74	5127.79	5711.81
Less : Accumulated Depreciation	1286.03	1468.46	1656.59	1843.74	2023.05
Net Block	2203.08	2848.31	2875.15	3284.05	3688.76
Current and non-current Assets	18600.83	21131.36	27290.81	31894.06	23764.04
	20803.91	23979.67	30165.96	35178.11	27452.80
Less : Deferred, Current and non-current Liabilities & Provision	10420.47	12897.55	19022.33	23490.72	17999.12
Capital employed	10383.44	11082.12	11143.63	11687.39	9453.68
<b>REPRESENTED BY</b>					
Share Capital	1225.00	1225.00	1225.00	1225.00	1225.00
Reserves & Surplus	9158.44	9846.65	9710.53	10278.42	8168.15
Net Worth	10383.44	11071.65	10935.53	11503.42	9393.15
Secured/Unsecured Loan	0.00	10.47	208.10	183.97	60.53
	<b>10383.44</b>	<b>11082.12</b>	<b>11143.63</b>	<b>11687.39</b>	<b>9453.68</b>

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## Board of Directors

Chairman & Director	:	Shri Ashutosh A.T. Pednekar
Managing Director	:	Shri Rakesh Chopra
Directors	:	Ms. Sujata Sharma Shri Ashok Pathak Shri Mohan Lal Bhargava Shri Nirmal Kumar Jain
Auditors	:	M/s R.K. Malpani & Associates, Chartered Accountants, Jaipur (Raj.)
Bankers	:	Punjab National Bank M.C. Branch, M.I. Road, Jaipur.
Registered Office	:	2, Kanakpura Industrial Area, Sirsi Road, Jaipur – 302 034

## CHAIRMAN'S STATEMENT

Dear Shareholders,

It is an honor and a privilege to present the 38<sup>th</sup> Annual Report to our valued shareholders. I am writing to you at a time when the entire world is combating with the Covid-19 pandemic, which has far reaching consequences on societies, economies and businesses across the globe. The pandemic has added yet another layer of complexity to an already challenging business environment with falling global GDP growth rates. Now that the world is slowly coming to terms with this unprecedented crisis, it is time for us to adjust to the 'new normal' and reorient ourselves accordingly.

Post COVID-19, as the voice for the global manufacturing supply chain to move away from China is getting louder by the day, this is an opportune moment for India. Unlike our global counterparts, India is well positioned to emerge stronger than ever if it seizes the opportunity to become the preferred manufacturing destination. We believe that soon the world will come out of this challenging situation stronger and wiser with sustainability and human equity as key elements of the new growth narrative. The Government has taken a number of steps to revive the economy and these are expected to provide traction in the coming quarters. Our Hon'ble Prime Minister's call for 'Aatma Nirbhar Bharat' will provide further momentum to the Make in India initiative and spur domestic manufacturing.

REIL provides technology solutions for qualitative & quantitative analysis of milk across all verticals of Dairy Industry sector through its milk analysis and automation solution, addresses energy needs of the rural and related urban sector through Solar Photo Voltaic and Information Technology & recently diversified in New Projects like security surveillance applications, e-Mobility through setting-up EV Charging infrastructure & Skill Development.

### Company's Performance

Even though the lockdown was imposed in the month March 2020, the impact on the company's operations was being felt much earlier, on account of disruptions in material supplies from China, which started from January 2020 itself and significantly affected the performance during the entire quarter. Your Company recorded turnover of ₹ 112.12 crore during F.Y. 2019-20 as against ₹ 271.29 crore in F.Y. 2018-19, thereby registering a significant drop in Profit as compared to previous year.

Your Company is holding the most prominent position in the Dairy Industry through its customer focused approach by way of ensuring prompt products deliveries and after sales support. The Company continuously provides best services to its customer through deployment of accurate and reliable testing equipment at village level / milk collection centre in the villages and strategically manpower deployment throughout the country and has contributed in Government's "Digital India" Mission by way of incorporating GPRS DPU based MCU to bring more transparency among the milk producer. Diversification of product range by launching the new product "Advanced DPU" had added another feather in cap. Thus company has expanding its wings by providing technological advanced solution as per customer requirement, present market scenario and stood strongly in competitive dairy industry market.

The need of today is also to focus on indigenous manufacturing, to become self-reliant and globally competitive. After EMAT, Somatic Cell Counter is another innovation in line with Make in India. REIL has now plans to upscale or induce new transformation in e-Mobility sector while addressing another major concern of Skilling & up-skilling the masses through its infrastructure REIL House.

The Renewable Energy Division is intensifying its efforts to expand its markets to have a pan India presence. The Company has supplied, installed and commissioned solar power projects to various organizations such as RREC, RHDS, PHED, PGCIL, IOCL, IIFCL, REC, EPIL, PFC, BRED, NEDA, ONGC, EESL, AVVNL, JDVVNL and IREDA and other private players.

A number of prestigious awards and recognitions were conferred on the Company this year. The Company was awarded **“9<sup>th</sup> PSE Excellence Award and Governance Now-Best PSU Award”**. The Company has also been honored with **“IEI Centenary Industry Excellence Award 2019”**.

The Company has been taking various CSR activities to create value for the society. Health, education, environment and empowerment of women / children / citizen & underprivileged have been identified as thrust areas. Your Company organized free medical/health camps, deployed Solar Power Systems. Your company has also risen to the occasion to support the national efforts on COVID-19 through monetary contribution of ₹ 10.52 Lakh to PMCARES fund.

Being a proponent of self-reliance, REIL has always followed the 'Atmanirbhar philosophy' since its inception in 1981. Your Company once again geared up to manoeuvre through the tough times with our renewed agility and our core strengths along with our deep rooted values of Quality, Trust and Excellence.

I would like to express my deep gratitude and appreciation for the continued faith and support of our customers, business associates, as well as other partners in our journey. Engagement and support from each member of the REIL family, and my fellow Directors on the Board remains our source of strength. I would like to thank various Ministries of

the Government of India, particularly the Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises and State Government of Rajasthan for their continuous guidance and support in our efforts.

With best wishes,

Place : Jaipur

Date : 24.12.2020

Sd/-

**CHAIRMAN**

## DIRECTORS' REPORT

To  
The Members,

Your Directors have pleasure in presenting the 38<sup>th</sup> Annual Report on business and operations of your Mini-Ratna Company, along with audited Financial Statements for the financial year 2019-20.

The Company has achieved turnover of ₹112.12 crore only, with a loss of ₹17.07 crore during the year. The below par performance of the Company first time since inception is majorly due to outbreak of COVID-19 a global pandemic and wreaking havoc on operations of the Company. The Indian economy was put into one of the severest lock down in response to the onset of the COVID-19 pandemic, which has impacted performance of the Company. The Company could not meet its targets as supply chain has been severely hit and dispatch instructions are not there due to closure of the Govt. schemes in respect of Solar and Milk Testing Equipments. Less achievement was also on account of shift in solar business on RESCO model from CAPEX, issues related to MSE sector, slow realization and poor availability of funds with customers and closure of National Dairy Project.

As the situation is unprecedented, while the lockdown is gradually lifting, the Company is closely monitoring the situation. The Company has resumed its business activities by reopening of its factory initially with 33% workforce and later with full capacity, in line with guideline issued by the Government authorities time to time and as per Standard Operating Procedure (SOP) issued in this regard.

The Company is committed to total customer satisfaction by identifying their needs translating them into quality products and providing dependable after-sales-services. REIL addresses energy needs of the rural sector through Solar Photo Voltaic, Milk testing and quality related needs of the milk co-operative and dairy industry sector through it ON/AT line milk analysis and automation solution and Information Technology & Communication applications for e-governance, dairy vertical, small business and Government sectors.

The Company has aligned business operations to contribute to various National Programmes such as Make in India, Digital India, National Solar Mission, Drinking Water Mission, Food Safety & Security, Doubling the farmer's income, FAME India Scheme and Smart City Mission. REIL has strived for Digital Transformation of the Company through Security & Surveillance, Digital India, Automation, e-Governance, Paperless Office, Industrial IOT and Clouds etc.

Also, Company has received MoU "Excellent" rating for the financial year 2018-19 based on the achievement of financial and non-financial parameters.

### FINANCIAL PERFORMANCE

The Company's financial highlights are as provided below :

( ₹ in Lakh)

S.No.	PARTICULARS	2019-20	2018-19
1.	Turnover & Other Income	11212	27129
2.	Material Cost	6112	17103
3.	Employment Cost	3528	3436
4.	Other Revenue Expenses	4193	4857
5.	Profit/(Loss) Before Tax	(2937)	1436
6.	Net Worth	9393	11503

### STATUS OF COMPANY'S AFFAIRS

REIL's active move towards digitization and error-free dairying has strengthened the farmers confidence and improved their lives by bringing transparency and ease-of-work in day-to-day operations through technology. REIL is actively working to provide better support services for end-to-end customer, in this chain the Company has trained 1368 nos. of regional workers and milk society secretaries to empower the human capital to ensure the country's global competitiveness.

Under Atal Jyoti Yojna (AJAY), Phase-II, a flagship project of Government of India, over 1100 Street Lighting Systems have been installed in Rajasthan, Madhya Pradesh, Bihar and Uttarakhand covering major roads, markets, and public conveniences in remote areas to sustainably enhance the citizens quality of life.



Under Security Surveillance and IT initiatives, the prestigious project worth ₹ 12.50 Crore has been received from NATRIP (National Automotive Testing and R&D Infrastructure Project) for the Ground Management System at NATRAX, Indore. The Project consists of IP Based CCTV Surveillance System, Vehicle Access Control System, Weather Monitoring System, GPS Devices with 2-Way Communication and whole Customized Ground Management Software that would ensure smooth all-round functioning of the NATRAX.

Under FAME-I REIL has been entrusted the responsibility for development of 270 Public EV Charging Infrastructure by Department of Heavy Industry, MOHI&PE, GoI in six cities & Mumbai- Pune express way & Golden Triangle. Golden Triangle is a most famous tourist circuit which connects the national capital Delhi. In continuation with this, Company has also got sanction of 1061 nos. EV Charging stations from Department of Heavy Industries under FAME-II.

The Company has developed an Auto hand sanitizer which is touch less hand disinfections machine to sanitize hand. This product is a great hand hygiene solution for all public places such as offices, schools, factories, Colleges, Monuments, Hospitals and hotels etc. to avoid cross-contamination.

Under its consistent initiatives to promote e-mobility, Company has entered into an agreements with Telangana State Renewable Energy Development Corporation (TSREDCO) covering cities Hyderabad, Karimnagar and Warangal; Bangalore Electricity Supply Company Limited (BESCOM) covering cities Bangalore and Mangalore, Uttar Pradesh Expressways Industrial Development Authority (UPEIDA), New Renewable Energy Development Corporation of Andhra Pradesh (NREDCAP) covering their respective cities for creating Electric Vehicle (EV) Charging Infrastructure in these states under the FAME Scheme of Ministry of Heavy Industries and Public Enterprises, Government of India.

The Company has signed MoU with Bharat Petroleum Corporation Limited for installation of EV Charging Station at their retail outlets. The Company has also signed MoU with TSREDCO for creation of EV Charging infrastructure Telangana at Hyderabad. TSREDCO is State Nodal Agency for creating Charging Infrastructure for the state of Telangana.

A MoU was signed between REIL and SPAI (Safety Professional Association of India) to diversify and contribute significantly in area of Skill Development Programme under various government initiatives and provide Education and Training in areas of Human Life Safety, Environment Management, Fire Safety, Disaster & Emergency Management, Road Safety, Health& Food Safety etc.

REIL has always played pivotal role in implementation of different schemes of MNRE to support the National Mission of Government and has developed expertise in all aspects of the field such as designing, manufacturing, EPC and consulting etc.

Your Company continues with its task to build business with long term goals based on intrinsic strength in terms of its powerful brands, quality manufacturing process, excellent after-sales-service and customer relationships. It accords high priority to rationalizing and streamlining operations to bring about better efficiencies and reduction in costs.

#### **INDIAN ACCOUNTING STANDARDS (Ind AS)**

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2020 has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

#### **DIVIDEND**

As the Company has posted substantial Loss for the F.Y. 2019-20, therefore in order to conserve the resources of the Company by taking into account the prevailing economic situation and the need of resources for growth, it is proposed not to recommend any dividend on the Equity Shares of the Company for the Financial Year ended March 31, 2020.

#### **TRANSFER FROM GENERAL RESERVES**

It is proposed to transfer ₹ 21.00 Crore from General Reserve of the Company to retained earnings for the year 2019-20.

#### **CREDIT RATING**

The Company has obtained its credit ratings from CARE. It has been given a rating 'CARE BBB-' by CARE for its long-



term bank facilities. Similarly, for its short-term bank facilities the Company has been assigned 'CARE A3' rating by CARE.

The ratings continue to derive strength from the established operations with long track record and diversified product portfolio.

## **BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, Shri Ashutosh A.T. Pednekar, IAS, Managing Director, Rajasthan State Industrial Development and Investment Corporation Limited (RIICO), has been appointed as Chairman & Director w.e.f. 27.09.2019.

Shri Gaurav Goyal, IAS, Managing Director, RIICO, ceased to be Chairman & Director of the Company w.e.f. 27.09.2019.

Shri Rakesh Chopra, has been appointed as Managing Director, of the Company w.e.f. 01.04.2020.

Shri Akhilesh Kumar Jain ceased to be Managing Director w.e.f. 31.03.2020 consequent upon his superannuation.

Smt. Sujata Sharma, Senior Economic Advisor, Department of Heavy Industry, New Delhi, has been appointed as nominee Director w.e.f. 11.08.2020

Shri Akshya Kumar Panda, Economic Advisor, Department of Heavy Industry, New Delhi, ceased to be Director of the Company w.e.f. 30.06.2020 consequent upon his superannuation.

Shri Nirmal Kumar Jain has been appointed as Non-Official, Independent Director of the Company w.e.f. 25.02.2020.

### **Key Managerial Personnel**

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are Shri Rakesh Chopra, Managing Director, Shri Subhash Agrawal, Chief Financial Officer and Shri Amit Kumar Jain, Company Secretary.

### **Declaration by Independent Directors**

The independent directors have submitted the declaration of Independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6).

## **CORPORATE AWARDS/ RECOGNITIONS AND VISIBILITY**

Continuing its tradition of bagging prestigious national awards, the organization won several awards during the year. Notable among these included;

- "Governance Now-Best PSU Award"
- "Best Employer Award- 2018"
- "9<sup>th</sup> PSE Excellence Award"
- "IEI Centenary Industry Excellence Award 2019"
- 48<sup>th</sup> Dairy Industry Conference during 20.02.2020 to 22.02.2020 at Birla Auditorium Jaipur. The theme of REIL stall was Innovative Approach towards Purity and Prosperity in line with Company's product range.
- Intersolar Sao Paulo, Brazil, SA in association with Indian Chamber of Commerce during 27.08.2019 to 29.08.2019 with an aim to promote export market in South America & to explore the overseas market and learn the global market opportunities.

## **QUALITY & RELIABILITY**

REIL pursues continual improvement in the quality of its products, services and performance leading to customer satisfaction through commitment, innovation and team work of all employees. REIL has established & maintained Quality Management System & Environment Management System certified by DNV GL confirming to the International Standards ISO 9001: 2015 & ISO 14001:2015 respectively.

## **PRODUCTION**

The Company has produced 8611 Nos. of Electronic Milk Analysers as compared to previous year 11630 Nos. and 5.18 MW (40135) of Solar Photovoltaic Modules as compared to the previous year of 12.15 MW (88720 Nos.).

## **DEVELOPMENT OF SUPPORT UNITS & MSMEs**

REIL as a policy puts emphasis on development of support industries and is in close interactions with support them for their technology up-gradation, which in turn helps in their quality improvement and volume production. REIL is fulfilling its requirement of raw material and components, from MSMEs.

REIL is regularly developing support industries by participating in the vendor development programmes organized by MSME from time to time. Procurement from MSMEs during 2019-2020 was of ₹ 28.48 crore.

#### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as Annexure-A and forms an integral part of this Report.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Committee has been set up to redress the complaints received regarding sexual harassment at workplace. The following is the summary of sexual harassment complaints received and disposed off during the current Financial Year.

1. Number of Complaints received: Nil
2. Number of Complaints disposed off: Nil

#### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as sub section (3) (m) of Section 134 of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are stated as under:

##### **A. Sustainable Development and Conservation of Energy**

The Company is an Electronic Manufacturing Unit with environment friendly processes. Being in Renewable Energy sector, Sustainability is embedded in the organization's culture with the objective of aligning the interests of the Company with that of its Stakeholders'. Periodic testing of environmental parameters is undertaken as per relevant legal requirements to make sure that the processes are operating within the permissible limits.

#### **The Projects & Impacts**

The Company has been taking initiatives for Conservation of Natural Resources. The efforts have been made to improve upon the energy performance. The energy conservation measures undertaken include.

- Conducting awareness programmes;
- Identification of potential to reduce use of energy, arresting leakages, use of alternate sources of energy, identifying wasteful use of energy and plugging them and use of energy measurement system.

##### **B. Technology Absorption and Research & Development**

R&D is an important means for achieving future growth and maintaining a relevant product in the market. It significantly contributes towards organizational growth and sustained market share. The company's R&D activities achieve the corporate mission of meeting the existing & emerging needs of Customers and serve them through development/ marketing and delivery of Quality Products and dependable after sales service by designing and developing new products & processes.

Major activities undertaken by R&D includes-

##### **a) Development of Handheld Milk Adulteration Tester**

Adulteration in milk has been a cause of concern for both the Government and the Dairy Industry. The industry was looking for a cost effective solution for detection of adulterants in milk to resolve the problems. The available methods based on chemical analysis are time consuming and involve use of various chemicals.

The need was addressed through development and launch of Electronic Milk Adulteration Tester (EMAT) to detect the harmful adulterants like Urea, Salt, Soda, Detergent, Ammonium Sulphate, Caustic Soda and Hydrogen Peroxide in milk. The instrument is cost effective and eco-friendly. The instrument is accurate, simple, economical, reliable and rugged and suitable for the Village Milk Collection Centers, Milk Chilling Centers, Bulk Milk Cooling Centers, Dairy Plants and Milk Testing Laboratories. Typically the instrument analyses 90 samples per hour (approx 40-45 Sec per

Sample). The Handheld Milk Adulteration Tester is an ideal, low cost solution designed for small Collection Centers/ Consumers to discriminate between genuine and spurious milk.

#### b) Development of Handheld Milk Fat Tester

The Handheld Milk Fat Tester is an idle and very low cost solution for measurement of Fat in raw milk. The instruments are based on Near Infrared (NIR) technology and suitable for small milk vendors / sweet shoppers.

The system consists of two main parts - spectroscopic measurement cell and a control unit. The spectroscopic measurement unit (sensor probe) consisting of an array of light emitting diodes in the NIR spectral region and corresponding detectors photo diodes, embedded into an aluminum block, the path length between the LED's and detector's is between 1mm to 10mm. The sensor probe is dipped in the milk sample under investigation. The system also includes a Control, computation and display unit for spectroscopic sensors and determination of milk parameters and displaying the final parameters on a LCD display.

#### c) Advanced DPU

Advanced Data Process Unit (ADV-DPU), is a dedicated unit, which receives data from peripherals, processes and transmits data to central server. It communicates with Dairy peripherals such as Milk Analyser, Electronic Weighing Scale, and Remote Display Unit, Printer etc. via serial cable or Bluetooth interface. It is an advanced and latest version of Data Processor Unit Product line, with cutting edge technological features incorporated. The advance data processor unit inculcates advance

#### d) 4G Modem with WiFi

DPMCU has the facility to store the milk collection data and upload it on server remotely. In existing DPMCU, milk collection data can be uploaded to server via modem only. As per requirement received, there is need for the WI-FI also to upload the data on server.

#### Product up gradation

1. New PCB for REIL DPU with robust protection of 232 data lines via isolation.

#### 2. Up gradation of WiFi Based modem in REIL DPU

##### Patents & IPR

R&D has filed the response to the review received from Indian Patent Office regarding the innovation of Next Generation Data Processor Unit and Digital EMT. The patent application has been updated and clarifications provided as per notice received from patent office for BMC data logger.

##### R&D Expenditure

The expenditure on Research & Development (R&D) during the year is as under:

	( ₹ in Lakh)
(a) Capital	0.22
(b) Revenue	303.14
(c) Total	<u>303.36</u>
(d) Total R&D expenditure, as a percentage of total turnover, stood at 2.71%	

##### Foreign Exchange Earnings and Outgoings

During the year the Company has earned a sum of ₹ 10.91 Lakh in foreign currency. The Company has also used total foreign exchange worth of ₹ 939.38 Lakh.

#### REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2019-20

The Company's governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders.

The Company's governance framework is based on the following principles:

- ❖ Proper business conduct by the Board, Senior Management and Employees.
- ❖ Independence and versatility of the Board and High degree of disclosure and transparency levels
- ❖ Timely disclosure of material, operational and financial information to the stakeholders;
- ❖ Recognition of obligations towards all stakeholders – shareholders, customers, employees, suppliers, society and robust systems and processes for internal control.

Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general.

The Board of your Company constantly endeavors to set goals and targets aligned to the Company's vision and mission – **“To be leader in the rural sector for business areas of Dairy Electronics, significant player in Renewable Energy and in related areas of Information Technology applications with minimal environmental impact.”** and **“To put in efforts to meet the emerging needs of customers and serve them through development/marketing and delivery of quality products and dependable after sales service.”**

## BOARD AND COMMITTEES:

### a) Board of Directors:

The Company is a Government Company under the administrative control of the Ministry of Heavy Industries and Public Enterprises, Government of India. The Board of Directors has a combination of Executive (Functional) and Non-Executive Directors. As on 31 March, 2020, there were 6 Directors on the Board comprising of one Managing Director and five Non-Executive Directors (including two Independent Directors). During the year, four Board Meetings were held on 26<sup>th</sup> June, 2019, 28<sup>th</sup> August, 2019, 30<sup>th</sup> September, 2019 and 24<sup>th</sup> December, 2019 respectively. Board Meeting of March 2020 quarter was held on 19th June, 2020 due to outbreak of COVID-19 pandemic.

The details of composition of the Board as at 31.03.2020, the attendance record of the Directors at the Board Meeting and at the last Annual General Meeting (AGM), as also the number of Directorships, Committee Chairmanships and Memberships held by them in other Companies are as follows :

Name of the Director	Category	No. of Meetings attended	Whether attended last AGM held on 30.09.2019	No. of Directorships in other Public Companies	No of Committee positions held in Public Companies	
					Member	Chairman
Shri Ashutosh A.T. Pednekar	Chairman (Part Time) (w.e.f. 27.09.2019)	2	Present	8	--	--
Shri Gaurav Goyal	Chairman (Part Time) (upto 27.09.2019)	2	N.A.	1	--	--
Shri A. K. Jain	Managing Director (upto 31.03.2020)	4	Present	NIL	--	--
Shri Ashok Pathak	Director (Part time) (w.e.f. 12.04.2019)	4	Present	NIL	--	--
Shri A. K. Panda	Director (Part time)	0	Not Present	2	--	--
Shri M. L. Bhargava	Independent Director	4	Present	1	--	--
Shri Nirmal Kumar Jain	Independent Director	0	N.A.	NIL	--	--

### b) Board Procedure:

The meetings of the Board are normally held at Jaipur, Rajasthan and are scheduled well in advance. The Company Secretary, in consultation with the Managing Director, sends written notice of every Board meeting to each Director. The Board agenda is circulated to the Directors in advance. The Board meets at regular intervals to discuss and decide on business strategies/policies and review performance of the Company.

### c) Board's Responsibilities:

The Board's mandate is to oversee the company's strategic direction, review and monitor corporate performance, ensure regulatory compliance and safeguard interests of the shareholders.

### d) Audit Committee:

The Audit Committee of the Board of Directors 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. During the financial year ended 31<sup>st</sup> March, 2020, three Audit Committee Meetings were held on 26<sup>th</sup> June, 2019, 28<sup>th</sup> August, 2019 and 24<sup>th</sup> December, 2019 respectively.

The composition of the Audit Committee and attendance of Directors are given below:

Name of Director	Category	No. of Audit Committee meetings attended
Shri M.L. Bhargava	Chairman	3
Shri A.K. Jain	Ex- Managing Director	3
Shri Ashok Pathak	Director (Part Time)	3

The terms of reference of the Board Level Audit Committee specified by the Board are in conformity with the requirements of Section 177 of the Companies Act, 2013.

#### e) Other Committees of Directors:

The Board has constituted the Committees of Directors and delegated powers and responsibilities with respect to specific purposes. The Committees such as Remuneration Committee, CSR Committee, SD Committee, R & D Committee, Ethics Committee and Steering Committee having representation of Independent Director(s). Meeting of these have been duly conducted as and when required. Company has a Whistle Blower Policy where no personnel have been denied access to the audit committee.

### MANAGEMENT ANALYSIS AND DISCUSSION

The Management discussion and analysis statements are attached to this report.

#### HUMAN RESOURCE MANAGEMENT:

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process at all locations and management development programs to

upgrade skills of employees. Human Resource policies and processes of the Company have transformed and evolved over the years in order to stay relevant to the changing environment, enhancement of organizational agility and ensure compliance with the changing rules and regulations from time to time.

At the close of financial year 2019-20 the total number of employees on permanent rolls of the company is 236. A total of 210 Man Days of training have been conducted for officers, supervisors and workers of the company during the year.

#### Promotion of Hindi Language

The Company is continuously making vigorous efforts for the propagation and successful implementation of the Official Language Policy. The Official Language Implementation Committee regularly monitors and reviews the progress. The Company has actively participated in the various activities being organized by NARAKAS, Jaipur.

#### Corporate Social Responsibility

Your Company believes that Corporate Social Responsibility (CSR) plays a major role in the development of the country. Therefore, it has made CSR an integral part of its ethos and culture. The Company undertakes a number of CSR projects every year in accordance with Schedule VII of The Companies Act, 2013 and the Annual Report on CSR activities as required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with section 134(3) and 135(2) of the Companies Act, 2013 is placed at Annexure B.

#### Right To Information Act, 2005

The Company has complied with the provisions of the Act and has placed the details like – name of Public Information Officer (PIO), Assistant Public Information Officer (APIO) and Appellate Authority on its website.

#### DIRECTORS RESPONSIBILITY STATEMENT

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



- I. that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2020 the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- II. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year 2019-20 and of the (Loss) of the Company for that period;
- III. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. that the annual accounts have been prepared for the financial year ended 31<sup>st</sup> March, 2020 on a 'going concern' basis'
- V. that the Directors has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- VI. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **STATUTORY AUDITORS**

The Comptroller & Auditor General of India (CAG) has appointed M/s R K Malpani & Associates, Jaipur as Statutory Auditors of the Company for the Financial Year 2019-20.

The Auditor's Report is self-explanatory and do not call for any further comments.

#### **COMMENTS ON C&AG**

The review of Financial Statements for the year ended 31<sup>st</sup> March, 2020 had been carried out by the Comptroller and Auditor General of India(C&AG). Comments of C&AG forms part of this report.

#### **COST AUDITORS**

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Board of Directors has appointed M/s Bikram Jain & Associates, Jaipur as Cost Auditors to conduct the Cost Audit for the year 2020-21.

#### **PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 197(12) OF THE COMPANIES ACT, 2013**

There was no employee of the Company who received remuneration in excess of the limits prescribed under the Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, hence the information may be treated as NIL.

#### **APPRECIATIONS & ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation for the continued co-operation and support extended to the Company by the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors gratefully acknowledge the ongoing co-operation and support provided by Central and State Governments and all Regulatory bodies.

The Board also gratefully acknowledges the support and guidance received from various Ministries of the Government of India, particularly the Department of Heavy Industry, in Company's operations and from Management of RIICO, for their continued support and guidance.

The Directors takes it on record the opportunity and guidance provided by Ministry of New and Renewable Energy, Government of India, Ministry of Fisheries, Animal Husbandry & Dairying, Government of India.

Your Directors also wish to place on record their sincere appreciation for the diligent efforts, hard work and commitment put in by all REIL employees to take the organization to greater heights.

#### **FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

PLACE : Jaipur

DATE : 24.12.2020

Sd/-

CHAIRMAN



## Annexure to Directors' Report

### MANAGEMENT DISCUSSION AND ANALYSIS

#### a) CORPORATE OVERVIEW

The focus is on Shaping Rural India through Electronics, Renewable Energy & IT Solutions. REIL provides technology solutions for qualitative & quantitative analysis of milk across all verticals of Dairy Industry sector, addresses needs of the rural and related urban sector through Solar Photo Voltaic, Information Technology & Security Surveillance applications. The Company is also setting up EV Charging Infrastructure to promote e-mobility under FAME India Scheme. REIL products contribute to the social and economic welfare of the rural masses.

#### b) ECONOMY

India continues to be one of the fastest growing emerging economies in the world. A slowdown in the manufacturing and construction sector has lately affected GDP growth due to impact of COVID-19. An impending revival in demand, positive consumption pattern and rising disposable income, makes India the most sought after investment destinations. Already the fifth largest economy in the world, India is supposed to take its place among the world's top three economic powers in the next 10-15 years. The pandemic has undoubtedly affected India, but with the right economic stimulus and the gradual opening up of the lockdown the situation can be expected to improve. Inter-state movement of goods is gradually picking up.

#### c) Internal control system and its adequacy:

The Company's internal control system ensures efficiency, reliability, completeness of accounting records and timely preparation of reliable financial and management information. In addition, it also ensures compliances of all applicable laws and regulations, optimum utilisation and protection of the Company's assets. In order to ensure that all checks and balances are in place and all internal control system are in order, regular and exhaustive internal audit of various divisions are conducted by experienced firm of Chartered Accountants.

#### d) Risk management report:

##### Overview

REIL's Risk management Plan plays a key role in supporting the business to deliver sustainable growth and generating value for its customers, investors, employees and other stakeholders. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks.

**Risk Management Practices** - The key risk management practices include the following reporting process.

- Risk Identification and Assessment
- Risk Evaluation
- Risk Reporting and Disclosures
- Risk Mitigation and Monitoring
- Integration with Strategy and Business Plan

Risks are governed by the Board of Directors, Managing Director and the heads of concerned departments.

#### e) Analysis and Review

The Company is holding prominent position in Milk analysing Industry through its customer focused approach by way of ensuring prompt products deliveries and after sales support. The objective has been to satisfy its esteemed customers. Company's new Electronics Milk Analyzer Production Line was inaugurated by Shri Atul Chaturvedi (IAS), Secretary, Department of Animal Husbandry and Dairying, Government of India during the quarter. It is one of the world's largest EMA manufacturing plant spread over the area of 2200 square feet with ultra-modern testing facilities.

Hon'ble Shri Arvind Ganpat Sawant, former Union Minister for Heavy Industries and Public Enterprises, Government of India Inaugurated DC Fast Charging Infrastructure to promote e-mobility and for the convenience of charging e-vehicles, on 22.08.2019 at IOCL Engineers Service

Station, Jor Bagh, New Delhi in the presence of Shri Praveen L. Agrawal, Joint Secretary, Department of Heavy Industry, Government of India, Managing Director REIL, & other dignitaries, and officers of IOCL and REIL. After the inauguration, Hon'ble Union Minister & dignitaries flagged off Electric Car rally for IOCL COCO Manesar on NH-8.

Hon'ble Shri Arjun Ram Meghwal Minister of State for Heavy Industries and Public Enterprises, Government of India inaugurated DC-001 Fast DC Charging Infrastructure to promote e-mobility and for the convenience of charging e-vehicles, on 23.08.2019 at Rambagh Service Station, Jaipur in the presence of Managing Director REIL, & other dignitaries, and officers of HPCL and REIL.

On the Occasion of Mahatma Gandhi's 150<sup>th</sup> Birth Anniversary, Company paid homage to him by flagging off the cycle rally for awareness on Swachhta Hi Sewa Abhiyaan, Discontinuing use of Single Use Plastic (SUP) & e-mobility Mission under FAME Scheme of Ministry of Heavy Industries & Public Enterprises for safe & green environment. This Cycle rally was enthusiastically participated by around 60 employees of REIL as well as 4 specially-abled students of an Institute "Ahaan Foundation" Jaipur.

The company has successfully completed the installation of above 200 nos. of EV charging stations and Department of Heavy Industry, Government of India again given the responsibility of setting up charging infrastructures in Shimla, Agra, Goa, Bengaluru, Hyderabad, Ranchi, Jaipur-Delhi-Agra Highway, Mumbai-Pune Express Highway Under FAME-II Scheme. Some charging stations will be powered by solar energy and excess solar power generation will be feed to the grid.

During the year the Company has got a order from M/s NATRIP for Design, Development, Supply, Installation, Integration with third party software & hardware API's, Testing, Training, Implementation of Proving Ground Management System (PGMS) and Software Solution for testing tracks for all categories of vehicles, systems and components at NATRAX, Indore. The execution of such order by the Company is first of its kind in India.

The Company has received & executed prestigious orders received from Jodhpur and Ajmer under Saubhagya scheme to the tune of ₹ 13.18 Cr. in the state of Rajasthan.

Form No. MGT-9

# EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS

I. CIN	U51395RJ1981GOI002249
II. Registration Date	12 <sup>th</sup> June, 1981
III. Name of the Company	RAJASTHAN ELECTRONICS AND INSTRUMENTS LIMITED
IV. Category / Sub-Category of the Company	Central Public Sector Enterprise / Company Limited by shares
V. Whether listed company Yes / No	No
VI. Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below:-

SL. No.	Name and Description of main products/services	NIC Code of the product/ service *	% to total turnover of the Company
1.	Dairy Milk Testing Equipment	2651 - Manufacture of measuring, testing, navigating and control equipment	57%
2.	Solar Photovoltaic Modules / Systems.	3510- Electric power generation, transmission and distribution	43%

\* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL. No.	Name of Company	Address of Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable section
1.	Nil	Nil	Nil	Nil	Nil	Nil

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

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2019)				No. of Shares held at the end of the year (As on 31-03-2020)				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	N.A.	6247500	6247500	51%	N.A.	6247500	6247500	51%	0.00
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	N.A.	6002500	6002500	49%	N.A.	6002500	6002500	49%	0.00
e) Banks / FI									
f) Any Other .....									
Sub-total (A) (1):-	N.A.	12250000	12250000	100%	N.A.	12250000	12250000	100%	0.00
(2) Foreign									
a) NRIs - Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other .....									
Sub-total (A) (2) :-	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00
TOTAL SHAREHOLDING OF PROMOTER (A) = (A)(1) + (A)(2)	N.A.	12250000	12250000	100%	N.A.	12250000	12250000	100%	0.00
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt (s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total(B)(1) :-	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00

<b>2. Non-Institutions</b>	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others									
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2):-	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00
C. Shares held by Custodian for GDRs & ADRs	N.A.	0	0	0.00	N.A.	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>N.A.</b>	<b>12250000</b>	<b>12250000</b>	<b>100%</b>	<b>N.A.</b>	<b>12250000</b>	<b>12250000</b>	<b>100%</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

SL. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2019)			Shareholding at the end of the year (As on 31-03-2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	The President of India	6247500	51	-	6247500	51	-	-
2.	RIICO	6002500	49	-	6002500	49	-	-
	<b>Total</b>	<b>12250000</b>	<b>100</b>	<b>-</b>	<b>12250000</b>	<b>100</b>	<b>-</b>	<b>-</b>

**(iii) Change in Promoters' Shareholding as on March 31, 2020 (Please specify, if there is no change)**

Name	Shareholding at the beginning of the year (As on 01-04-2019)		Date	Increase / Decrease in Share- holding	Reason	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
The President of India	6247500	51	31.03.2020	No Change		6247500	51
Rajasthan State Industrial Development & Investment Corporation Ltd. Jaipur	6002500	49	31.03.2020	No Change		6002500	49

**(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	NIL			
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
At the End of the year ( or on the date of separation, if separated during the year)				

**(v) Shareholding of Directors and Key Managerial Personnel**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	NIL			
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
At the End of the year				



## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	311.61	Nil	Nil	311.61
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>311.61</b>	<b>Nil</b>	<b>Nil</b>	<b>311.61</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	Nil	Nil	Nil	Nil
• Reduction	124.42	Nil	Nil	124.42
<b>Net Change</b>	<b>(124.42)</b>	<b>Nil</b>	<b>Nil</b>	<b>(124.42)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	187.19	Nil	Nil	187.19
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>187.19</b>	<b>Nil</b>	<b>Nil</b>	<b>187.19</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakh)

SL. No.	Particulars of Remuneration	Name of Managing Director
		Shri A. K. Jain
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	48.97 - -
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify...	-
5.	Others i.e. PF and Pension	3.39
	<b>Total (A)</b>	<b>52.36</b>

**B. Remuneration to other Directors :**

(₹ in Lakh)

SL. No.	Particulars of Remuneration	Name of Directors
		Shri M. L. Bhargava
1.	Independent Directors <ul style="list-style-type: none"> <li>Fee for attending board / committee meetings</li> <li>Commission</li> <li>Others, please specify</li> </ul>	0.58
	<b>Total (1)</b>	<b>0.58</b>
2.	Other Non-Executive Directors <ul style="list-style-type: none"> <li>Fee for attending board / committee meetings</li> <li>Commission</li> <li>Others, please specify</li> </ul>	Nil
	<b>Total (2)</b>	<b>Nil</b>
	<b>Total (B) = (1+2)</b>	<b>0.58</b>
	<b>Total Managerial Remuneration</b>	

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(₹ in Lakh)

SL. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO (Shri Subhash Agrawal)	Company Secretary (Shri Amit K. Jain)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Not Applicable	28.44	9.96	38.40
2.	Stock Option		-	-	-
3.	Sweat Equity		-	-	-
4.	Commission - as % of profit - others, specify...		-	-	-
5.	Others i.e. PF and Pension		2.29	0.86	3.15
	<b>Total</b>		<b>30.73</b>	<b>10.82</b>	<b>41.55</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding Fees imposed	Authority (RD/ NCLT/ COURT)	Appeal made, if any (give details)
<b>A. COMPANY</b> Penalty, Punishment Compounding	NIL				
<b>B. DIRECTORS</b> Penalty, Punishment Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b> Penalty, Punishment Compounding					

**Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2019-20**

1.	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.	Corporate Social Responsibility in REIL is a continuing commitment to behave ethically and contribute to harmonious and sustainable development of society and planet, through business, while improving the quality of life of the community and the society. A gist of the programs that the Company can undertake under the CSR policy is mentioned on Company's website.
2.	The composition of CSR Committee.	Shri M.L. Bhargava, Chairman Shri A.K. Jain, Member Ms. Ashok Pathak, Member Shri Nirmal Kumar Jain, Member
3.	Average net profit of the Company for last three financial years	₹ 1265 Lakh
4.	Prescribed CSR expenditure (two percent of the amount mentioned in item 3 above)	₹ 25.30 Lakh
	Amount unspent (brought forward from previous year)	₹ 4.18 Lakh
	Total amount to be spent for F.Y. 2019-20	₹ 29.48 Lakh
5.	Details of CSR spent during the financial year:	
	a. Total amount spent for the financial year	₹ 30.36 Lakh
	b. Amount unspent (carried forward)	Nil
	c. Manner in which the amount spent during the financial year	Attached

**DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2019-20**
**( in ₹ )**

1	2	3	4	5	6	7	8
S. No.	CSR PROJECT OR ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED	PROJECTS OR PROGRAMMES (1) LOCAL AREA OR OTHER (2) STATE OR DISTRICT WHERE PROJECTS OR PROGRAMME WAS UNDERTAKEN	AMOUNT OUTLAY (BUDGET) PROJECT OR PROGRAMME WISE (In ₹)	AMOUNT SPENT ON THE PROJECT OR PROGRAMMES SUBHEADS: (1) DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS (2) OVERHEADS (In ₹)	CUMULATIVE EXPENDITURE UP TO THE REPORTING PERIOD (In ₹)	AMOUNT SPENT: DIRECT OR THROUGH IMPLEMENTING AGENCY (In ₹)
1.	Organized Free Medical/ Health Camp (02 No.)	Medical/Health	Jaipur (Rajasthan)	50000.00	130844.00	130844.00	Direct
2.	Deployment of Solar Power Systems (01 No.)	Renewable Energy/Solar	Sirohi (Rajasthan)	225000.00	237568.00	368412.00	Direct
3.	Engagement of Apprenticeship under Apprenticeship Act 1961	Training/ Education	Jaipur (Rajasthan)	2255000.00	2667332.00	3035744.00	Direct

6. In case the Company has failed to spend to two percent, of the average net profit of the latest three financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.  
Not Applicable

7. The Responsibility Statement of the Corporate Social Responsibility and Governance (CSR&G) Committee of the Board of Directors of the Company 'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

Sd/-  
(Managing Director)

Sd/-  
(Chairman of CSR Committee)

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013  
ON THE FINANCIAL STATEMENTS OF  
RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED  
FOR THE YEAR ENDED 31st MARCH, 2020**

The preparation of financial statements of Rajasthan Electronics & Instruments Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 September, 2020.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Rajasthan Electronics and Instruments Limited for the year ended 31 March, 2020 under section 143(6)(a) of the Act.

For and on behalf of the  
Comptroller & Auditor General of India

Sd/-

**(C. Nedunchezian)**

Principal Director of Audit  
(Industry & Corporate Affairs)  
New Delhi

Place : New Delhi  
Dated : 12.10.2020

# INDEPENDENT AUDITOR'S REPORT

To  
**The Members of Rajasthan Electronics & Instruments Limited**  
Report on the Audit of the Standalone Financial Statements

## Opinion

We have audited the accompanying standalone financial statements of **Rajasthan Electronics & Instruments Limited** ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss (Including Other Comprehensive Income) and Statement of Changes in equity for the year ended, 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 standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and loss, total Comprehensive Income, Changes in equity, and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit of the standalone financial statement in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). 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 ("ICAI"), together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act 2013 and the Rules there under, 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.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no Key Audit Matters to be communicated in our report.

## Information Other than the Standalone 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 Report, but does not include the financial statements and our auditor's report thereon. The management has represented that other information shall be made available to us after the date of this auditor's report.

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

When we read the Board Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## 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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial

performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

### Emphasis of Matter

We draw attention to the following matter in the notes to the Standalone Financial Statement i.e. Note no. 3 describes the assessment of the impact of Covid-19 pandemic by the management on the business and its associated financial risks.

Whereas Certain balances of loans, other financial assets, trade receivables, other current & non-current assets, Trade payables, other financial liabilities and other current liabilities have not been confirmed. Consequential impact on

confirmation/ reconciliation/ adjustment of such balances (which will not be material as per management), if any, is not ascertainable.

Our opinion is not modified in respect of these matters.

### 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, and on the basis of such checks of the books and records of the company as we considered and according to the information and explanations given to us, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered and according to the information and explanations given to us, in the "**Annexure B**" on the directions issued by the Comptroller and Auditor General of India.
3. 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 (Including Other Comprehensive Income), Statement of Changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) We have been informed that the provisions of Section 164(2) of the Act in respect of disqualification of directors are not applicable to the company, being a Government Company in terms of notification no. G.S.R.463(E) dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government of India.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure C**”.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

We are informed that the provisions of Section 197 read with Schedule V of the Act, relating to managerial remuneration are not applicable to the Company, being a Government Company, in terms of Ministry of Corporate Affairs Notification no. G.S.R. 463(E) dated June 5, 2015.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 21.1 (b) and (c) and Note 36 (g) to the standalone financial statements.
- (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For R. K. Malpani & Associates**  
Chartered Accountants  
(FRN. 002759C)

Sd/-

**(Rakesh Jhalani)**

Partner

Membership No. 074142

Place : Jaipur

Dated : 16<sup>th</sup> Sep. 2020

UDIN : 20074142AAAABW3739

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

### **Annexure referred to in Independent Auditors' Report of even date to the members of Rajasthan Electronics & Instruments Limited on the standalone financial statements for the year ended March 31, 2020**

- (i) On the basis of audit procedure obtained and according to the information and explanation given to us during the course of our audit, we report that;
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed Assets has been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management the title deeds of immovable properties included in fixed assets are held in the name of the company.
- (ii) As per the information and explanations given to us, physical verification of Inventory has been carried out by the management subsequent to the year end as the same could not be conducted at the year end as per extant policy of the Company due to lockdown restrictions imposed by the Government of India and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted deposits from the public in terms of the provisions of sections 73 to 76 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014, (as amended). Accordingly, the provisions of clause 3(v) of the order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of electrical goods and electronics machinery, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii)(a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, service tax, custom duty, excise duty, value added tax, goods and service tax, cess and any other statutory dues, as applicable, with the appropriate authorities in India.
- (b) There were no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income Tax, Sales Tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess

and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

- (c) According to the records of the Company, the dues outstanding of Service Tax which have not been deposited as at March 31, 2020 on account of dispute are given below:

Name of status	Nature of the dues	Disputed amount ( ₹ in Lakh)	Period to which amount relates	Forum where dispute is pending
Central Excise Act	Service Tax	3.82	F.Y. 2009-10 (Vide order dt.24.07.12)	CESTAT (Custom Excise & Service Tax Appellate Tribunal)

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to banks. The company did not have any outstanding dues in respect of a financial institution or debenture holders during the year.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purpose for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

- (xi) Provisions of section 197 read with Schedule V to the Companies Act, 2013 is not applicable to Government Companies.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore the provisions of clause 3(xii) of the Order are not applicable to the company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transaction with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and on an overall examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirement under clause 3(xiv) are not applicable to the company and hence not commented upon.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For R. K. Malpani & Associates**  
Chartered Accountants  
(FRN. 002759C)

Sd/-  
**(Rakesh Jhalani)**  
Partner  
Membership No. 074142

Place : Jaipur  
Dated : 16<sup>th</sup> Sep. 2020  
UDIN : 20074142AAAABW3739

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in Independent Auditors' Report of even date to the members of Rajasthan Electronics & Instruments Limited on the standalone Ind AS financial statements for the year ended 31<sup>st</sup> March 2020.

Directions issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013, indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of Rajasthan Electronics & Instruments Limited for the year ended 31st March, 2020:-

Sl. No.	Directions	Action Taken	Impact on Ind AS Financial Statements
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Based on the audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed/ carried outside the IT system. Accordingly, there are no implications on the integrity of the accounts.	NIL
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Based on the audit procedures carried out and as per the information and explanations given to us, there was no restructuring of existing loans or cases of waiver/write off of debts/ loans/interest etc. made by the lender to the company due to the company's inability to repay the loan.	NIL
3	Whether funds received/ receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Based on the audit procedures carried out and as per the information and explanations given to us, the sanction is regulated through an online platform PFMS wherein the Company's CC account has been registered for transmitting the funds as well as for utilisation of funds. <b>As per Clause 8 of Sanction Letter No. F.No. 3(01)/2019-NAB-II (Auto) dated 22-04-2019, the company was required to open a separate account for the grant received but the company has not opened separate account for the same and entire transactions related to grant were routed through company's CC account.</b>	NIL

**For R. K. Malpani & Associates**  
Chartered Accountants  
(FRN. 002759C)

Place : Jaipur  
Dated : 16<sup>th</sup> Sep. 2020  
UDIN : 20074142AAAABW3739

Sd/-  
**(Rakesh Jhalani)**  
Partner  
Membership No. 074142

**“Annexure C” to the Independent Auditor's Report of even date on the Financial Statements of  
RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED:**

**Report on the Internal Financial Controls**

**under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**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 Act, 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan

and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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, 2020, 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 the Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For R. K. Malpani & Associates**  
Chartered Accountants  
(FRN. 002759C)

Place : Jaipur  
Dated : 16<sup>th</sup> Sep. 2020  
UDIN : 20074142AAAABW3739

Sd/-  
**(Rakesh Jhalani)**  
Partner  
Membership No. 074142



## BALANCE SHEET AS AT 31st MARCH 2020

(All amounts in ₹ , unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>I. Non-current Assets</b>			
(a) Property, plant and equipment	4	179,772,417	178,749,096
(b) Capital work-in-progress	4	189,103,090	149,650,136
(c) Intangible assets			
(i) Technical Know How	5	-	5,709
(d) Financial assets			
(i) Trade receivables	6	30,523,325	47,624,432
(ii) Other financial assets	9A	6,934,319	6,650,155
(e) Deferred Tax Asset ( Net )	8	102,624,924	-
(f) Other non-current assets	12A	457,612	1,233,187
<b>Total Non-current Assets</b>		<b>509,415,687</b>	<b>383,912,715</b>
<b>II. Current Assets</b>			
(a) Inventories	10	271,553,876	194,552,471
(b) Financial assets			
(i) Trade receivables	7	1,796,429,314	2,785,341,750
(ii) Cash and cash equivalents	11	1,254,293	57,072,647
(iii) Bank balances other than (ii) above	11A	34,146,470	33,256,191
(iv) Other financial assets	9B	43,145,655	42,822,305
(c) Current tax assets ( Net )	13	46,693,357	-
(d) Other current assets	12B	42,641,239	20,853,247
<b>Total Current Assets</b>		<b>2,235,864,204</b>	<b>3,133,898,611</b>
<b>Total Assets (I + II)</b>		<b>2,745,279,891</b>	<b>3,517,811,326</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I. Equity</b>			
(a) Equity share capital	14	122,500,000	122,500,000
(b) Other Equity	15	816,815,418	1,027,842,022
<b>Total Equity</b>		<b>939,315,418</b>	<b>1,150,342,022</b>
<b>LIABILITIES</b>			
<b>II. Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16A	6,053,258	18,397,216
(ii) Trade payables	20A	3,937,203	-
(b) Provisions	18A	2,679,999	2,381,006
(c) Deferred Tax Liabilities ( Net )	8	-	3,534,436
(d) Other non-current liabilities	19A	26,960,356	41,624,423
<b>Total Non-current Liabilities</b>		<b>39,630,816</b>	<b>65,937,081</b>
<b>III. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16B	97,459,347	-
(ii) Trade payables	20B	1,352,133,371	1,882,172,161
(iii) Other financial liabilities	17	41,665,284	38,169,619
(b) Provisions	18B	59,894,285	55,034,177
(c) Current tax liabilities (Net)	13	-	11,682,712
(d) Other current liabilities	19B	215,181,370	314,473,554
<b>Total Current Liabilities</b>		<b>1,766,333,657</b>	<b>2,301,532,223</b>
<b>IV. Total Liabilities (II + III)</b>		<b>1,805,964,473</b>	<b>2,367,469,304</b>
<b>Total Equity and Liabilities (I + IV)</b>		<b>2,745,279,891</b>	<b>3,517,811,326</b>

See accompanying notes to the Financial Statements ( 1-36 )

As per our report of even date attached  
For & on behalf of **R.K. Malpani & Associates**  
Chartered Accountants  
FRN 002759C

Sd/-  
**Rakesh Jhalani**  
Partner  
Membership No. 074142  
Place: Jaipur  
Date: 16th Sept., 2020  
UDIN: 20074142AAAABW3739

For and on behalf of the Board

Sd/-  
**( Ashok Pathak )**  
Director

Sd/-  
**( Amit Kumar Jain )**  
Company Secretary

Sd/-  
**( Rakesh Chopra )**  
Managing Director

Sd/-  
**( Subhash Agrawal )**  
Chief Financial Officer

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2020

(All amounts in ₹, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
I. Revenue from Operations	22	1,109,130,454	2,693,133,150
II. Other income	23	12,077,586	19,731,036
<b>III. Total Income (I + II)</b>		<b>1,121,208,040</b>	<b>2,712,864,186</b>
<b>IV. Expenses</b>			
Cost of material consumed	24	663,834,340	1,692,761,043
Change in inventories of finished goods and Work-in-progress	25	(52,623,878)	17,586,482
Employee benefits expense	26	352,835,487	343,639,753
Finance costs	27	13,204,146	10,807,022
Depreciation and amortisation expenses	28	18,326,997	18,812,811
Other expenses	29	419,307,245	485,669,843
<b>Total expenses</b>		<b>1,414,884,337</b>	<b>2,569,276,954</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>(293,676,297)</b>	<b>143,587,232</b>
Add: Exceptional items		-	-
<b>V. Profit / (Loss) before tax</b>		<b>(293,676,297)</b>	<b>143,587,232</b>
<b>VI. Less: Tax expense</b>	30		
1. Current tax		-	37,208,730
2. Provision Reversal		(21,301,825)	-
3. Deferred tax		(101,711,146)	3,588,721
<b>Total Tax Expense</b>		<b>(123,012,971)</b>	<b>40,797,451</b>
<b>VII. Profit / (Loss) for the year (V - VI)</b>		<b>(170,663,326)</b>	<b>102,789,781</b>
<b>VIII. Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		(15,275,462)	(23,229,021)
B (i) Income tax relating to items that will not be reclassified to profit or loss		4,448,214	6,764,291
<b>Total other comprehensive income (VIII=A (i)+B(i))</b>		<b>(10,827,248)</b>	<b>(16,464,730)</b>
<b>IX. Total comprehensive income for the year (VII+VIII)</b>		<b>(181,490,574)</b>	<b>86,325,051</b>
<b>Earnings per equity share</b>	31		
(1) Basic (in Rs.)		(13.93)	8.39
(2) Diluted (in Rs.)		(13.93)	8.39

See accompanying notes to the Financial Statements ( 1-36 )

As per our report of even date attached  
For & on behalf of **R.K. Malpani & Associates**  
Chartered Accountants  
FRN 002759C

Sd/-  
**Rakesh Jhalani**  
Partner  
Membership No. 074142  
Place: Jaipur  
Date: 16th Sept., 2020  
UDIN: 20074142AAAABW3739

For and on behalf of the Board

Sd/-  
**( Ashok Pathak )**  
Director

Sd/-  
**( Amit Kumar Jain )**  
Company Secretary

Sd/-  
**( Rakesh Chopra )**  
Managing Director

Sd/-  
**( Subhash Agrawal )**  
Chief Financial Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020

(All amounts in ₹ , unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. Cash flows from operating activities</b>		
Profit/(Loss) for the year	(181,490,574)	86,325,051
Adjustments for:		
Income tax expense recognised in profit or loss	(123,012,971)	40,797,451
Other Comprehensive Income	10,827,248	16,464,730
Allowances for bad debts	90,792,139	25,823,917
Bad debts	-	13,131,878
Finance costs recognised in profit or loss	13,204,146	10,807,022
Interest income recognised in profit or loss	(11,346,445)	(16,704,116)
Depreciation and amortisation	18,326,997	18,812,811
<b>Cash generated from operations before working capital changes</b>	<b>(182,699,460)</b>	<b>195,458,744</b>
Movements in working capital:		
(Increase) / Decrease in trade receivables	915,221,404	(485,648,519)
(Increase) / Decrease in other assets	(19,872,938)	13,685,493
(Increase)/Decrease in inventories	(77,001,405)	16,396,828
Increase/ (Decrease) in trade payables	(526,101,587)	423,626,807
Increase/(Decrease) in provisions	(10,116,361)	4,930,425
Increase/(Decrease) in other payables	(110,363,051)	(11,809,281)
	<b>171,766,062</b>	<b>(38,818,247)</b>
Cash generated from operations	(10,933,398)	156,640,497
Income Taxes Paid	<b>(37,074,244)</b>	<b>(29,229,486)</b>
<b>Net cash generated by operating activities</b>	<b>(48,007,642)</b>	<b>127,411,011</b>
<b>B. Cash flows from investing activities</b>		
Payments for property, plant and equipment	(56,541,137)	(56,007,848)
Proceeds from disposal of property, plant and equipment	147,824	12,772
Interest Income	8,709,173	9,497,918
<b>Net cash (used in)/generated by investing activities</b>	<b>(47,684,140)</b>	<b>(46,497,158)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from Borrowings	97,459,347	6,726,553
Repayment of borrowings	(12,500,000)	(14,375,000)
Dividends paid on equity shares	(24,500,000)	(24,500,000)
Dividend Tax Paid)	(5,036,030)	(5,036,050)
Finance cost paid	(15,549,889)	(14,373,726)
<b>Net (used in)/ generated in financing activities</b>	<b>39,873,428</b>	<b>(51,558,223)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(55,818,354)</b>	<b>29,355,630</b>
Cash and cash equivalents at the beginning of the year*	57,072,647	27,717,017
<b>Cash and cash equivalents at the end of the year*</b>	<b>1,254,293</b>	<b>57,072,647</b>
<b>Reconciliation of Cash and Cash Equivalents</b>		
Cash and cash equivalents as per Cash Flow Statement	1,254,293	57,072,647
Difference -	-	-
Cash and cash equivalents as per Balance Sheet ( Refer Note No. 11)	1,254,293	57,072,647

\*Cash and cash equivalents include other bank balances as per Note 11

1 The above cash flow statement prepared under the "indirect method" as set out in the Ind AS 7 "Cash flow statement".

2 Figures for previous year have been regrouped wherever necessary for uniformity in presentation.

3 Brackets indicate cash outflow.

See accompanying notes to the Financial Statements ( 1-36 )

As per our report of even date attached  
For & on behalf of **R.K. Malpani & Associates**  
Chartered Accountants  
FRN 002759C

For and on behalf of the Board

Sd/-  
( **Ashok Pathak** )  
Director

Sd/-  
( **Rakesh Chopra** )  
Managing Director

Sd/-  
**Rakesh Jhalani**  
Partner  
Membership No. 074142  
Place: Jaipur  
Date: 16th Sept., 2020  
UDIN: 20074142AAAABW3739

Sd/-  
( **Amit Kumar Jain** )  
Company Secretary

Sd/-  
( **Subhash Agrawal** )  
Chief Financial Officer

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2020

(All amounts in ₹, unless otherwise stated)

a. Equity share capital	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Balance as at the beginning of the year	122,500,000	122,500,000
Changes in equity share capital during the year - Share capital issued	-	-
<b>Balance as at end of the year</b>	<b>122,500,000</b>	<b>122,500,000</b>

### March 2020

#### Statement of changes in equity for the year ended March 31, 2020

	Reserves and surplus	Items of other comprehensive income	
b. Other equity	General reserve	Retained earnings	Remeasurement of Net Defined Benefit Plan
<b>Balance as at March 31, 2019</b>	1,022,345,363	18,454,814	(12,958,155)
Profit/(Loss) for the year		(170,663,326)	(170,663,326)
Other comprehensive income for the year, net of income tax			(10,827,248)
<b>Total comprehensive income for the year</b>	-	<b>(170,663,326)</b>	<b>(10,827,248)</b>
Payment of dividends		(24,500,000)	(24,500,000)
Tax on Dividend		(5,036,030)	(5,036,030)
Transfer from General Reserve	(210,000,000)	210,000,000	-
<b>Balance as at March 31, 2020</b>	<b>812,345,363</b>	<b>28,255,458</b>	<b>(23,785,403)</b>

### March 2019

#### Statement of changes in equity for the year ended March 31, 2019

<b>Balance as at March 31, 2018</b>	962,345,363	5,201,083	3,506,575	971,053,021
Profit for the year		102,789,781		102,789,781
Other comprehensive income for the year, net of income tax			(16,464,730)	(16,464,730)
<b>Total comprehensive income for the year</b>	-	<b>102,789,781</b>	<b>(16,464,730)</b>	<b>86,325,051</b>
Payment of dividends		(24,500,000)		(24,500,000)
Tax on Dividend		(5,036,030)		(5,036,030)
Transfer to General Reserve	60,000,000	60,000,000		-
<b>Balance as at March 31, 2019</b>	<b>1,022,345,363</b>	<b>18,454,814</b>	<b>(12,958,155)</b>	<b>1,027,842,022</b>

As per our report of even date attached  
For & on behalf of **R.K. Malpani & Associates**  
Chartered Accountants  
FRN 002759C

Sd/-  
**Rakesh Jhalani**  
Partner  
Membership No. 074142  
Place: Jaipur  
Date: 16th Sept., 2020  
UDIN: 20074142AAAABW3739

For and on behalf of the Board

Sd/-  
**( Ashok Pathak )**  
Director

Sd/-  
**( Amit Kumar Jain )**  
Company Secretary

Sd/-  
**( Rakesh Chopra )**  
Managing Director

Sd/-  
**( Subhash Agrawal )**  
Chief Financial Officer

## General Information & Significant Accounting Policies forming part of Financial Statements for the year ended March 31, 2020

### 1. General information

Rajasthan Electronics & Instruments Limited, Jaipur (REIL) is incorporated and domiciled in India having registered office at 2, Kanakpura Industrial Area, Sirsi Road, Jaipur. The Company is a joint venture between the Government of India (51% shareholding) and Government of Rajasthan through Rajasthan State Industrial Development and Investment Corporation Ltd., Jaipur (RIICO) with share holding of 49%.

The Company was incorporated on 12<sup>th</sup> June, 1981 and falls under the administrative control of Ministry of Heavy Industries and Public Enterprises, Government of India and is a Mini Ratna PSU. REIL is in the business of Electronic Milk Analysers and Solar Energy Equipment with minor interest in Wind Power, Information Technology, Industrial Electronics and Electric Vehicle Charging Station.

Due to outbreak of COVID-19 globally and in India, in view of the Management assessment, likely impact on the business of the Company is only for short term and no medium to long term risks is perceived which will have an impact on company's ability to continue as a going concern. Further, considering the Company's business plans as at March 31, 2020, the Management do not foresee any uncertainty in continuing its business operations and meeting its liabilities as and when it become due for payment.

### 2. Significant accounting policies

The principal accounting policies are set out below:

#### 2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

These financial statements shall be approved by the Board of Directors at their meeting proposed to be held on 16.09.2020.

#### 2.2 Basis of preparation and presentation

The financial statements have been prepared in

accordance with Indian Accounting Standards (Ind AS) under the historical cost basis, except certain financial instruments measured at fair values, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on this basis.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

#### 2.3 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The principal accounting estimates used have been described under the relevant income/expense and/or asset/liability item in these financial statements.



The Management believes that the estimates used in the preparation of these Financial Statements are prudent and reasonable. Actual results could differ from these estimates.

## 2.4 Property, plant and equipment

Property, plant and equipment acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, such as delivery and handling costs, installation, legal services and consultancy services, directly attributable to bringing the asset to the site and in working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Depreciation is recognised so as to write off the cost less their residual values over their useful lives as specified in the Schedule II of the Companies Act 2013, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress"

Property, plant and equipment 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. Property, plant and equipment that suffered an impairment loss are reviewed for possible reversal of the impairment at the end of each reporting period.

## 2.5 Intangible Assets

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognized at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortized on a straight-line basis over the period of their expected useful lives.

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset

The amortization period and the amortization method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

An impairment test of such intangible assets is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is reported in the Statement of Profit and Loss.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project

is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

## 2.6 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount rate.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used

to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

## 2.7 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is computed on a FIFO basis, Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Cost of inventories comprises of all cost of conversion and other cost incurred in bringing them to their respective present location and condition and valued on the basis of FIFO method.

The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

Physical verification of inventories at unit has been conducted by the management. However, due to lockdown on account of Covid-19, physical verification were carried out at dates after the reporting date and subsequently the physical stock were reconciled with stock as on reporting date by applying the roll back method.

## 2.8 Revenue recognition

According to Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized.

- The Company recognizes revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognized to the extent of transaction price allocated to the performance obligation satisfied. Performance

obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.

- Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.
- Transaction price is the amount of consideration to which the Company expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.
- Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as Goods and Service Tax etc.
- Income from services rendered is recognized based on agreements/ arrangements with the customers

as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably.

#### **Use of significant judgments in revenue recognition**

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / a service promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- The Company uses judgment to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

## **2.9 Employee Benefits**

### **Retirement benefit costs and termination benefits**

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost

of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

#### **Defined benefit costs are categorized as follows:**

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments) and
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

#### **Short-term and other long-term employee benefits**

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date

## **2.10 Financial instruments**

### **Financial Assets :**

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognized at fair value, in case of financial assets which are recognized at fair value through profit and loss (FVTPL), its transaction cost is recognized in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- Amortized cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

### **Trade Receivables and Loans :**

Trade receivables and loans are initially recognized at fair value. Subsequently, these assets are held at amortized cost, using the effective interest rate (EIR) method net of

any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

#### **Debt Instruments :**

Debt instruments are initially measured at amortized cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

##### **(a) Measured at amortized cost :**

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortized cost using the effective interest rate ('EIR') method less impairment, if any.

The amortization of EIR and loss arising from impairment, if any is recognized in the Statement of Profit and Loss.

##### **(b) Measured at fair value through other comprehensive income:**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

##### **(c) Measured at fair value through profit or loss:**

A financial asset not classified as either amortized cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognized as 'other income' in the Statement of Profit and Loss.

#### **Derecognition**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

#### **Impairment of Financial Asset**

- Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.
- For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition.
- The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.
- For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables.
- At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analyzed.
- The impairment losses and reversals are recognized in Statement of Profit and Loss.

#### **Financial Liabilities:**

##### **Initial recognition and measurement**

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognized at fair value and subsequently, these liabilities are held at amortized cost, using the effective interest method.

##### **Subsequent measurement**

Financial liabilities are subsequently measured at



amortized cost using the EIR method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

#### **Derecognition :**

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

#### **2.11 Fair value measurement**

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and significant liabilities, such as contingent consideration.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **2.12 Provisions and Contingent Liabilities**

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. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, 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. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

### **2.13 Expenditure**

Expenses are accounted on accrual basis.

### **2.14 Borrowing costs**

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised. Interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

### **2.15 Income Taxes**

Income tax expense for the year comprises of current tax and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest income/expense and penalty, if any, related to income tax is included in current tax expense.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognized based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Deferred tax relating to items recognized outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### **2.16 Foreign Currency Transaction**

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or Statement of Profit and Loss are also recognized in OCI or Statement of Profit and Loss, respectively).

### **2.17 Government Grant**

The Government Grants (Grant in Aid) are accounted for in accordance with Ind-AS 20. The entity shall consider the conditions and obligations that have been, or must be, met when identifying the costs for which the benefit of the Grant is intended to compensate. Government grants so recognized shall be recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate.

### **2.18 Leases**

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognized to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected

inflationary cost increases, in which case the same are recognized as an expense in line with the contractual term.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

### **2.19 Earnings per Share**

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### **2.20 Non-Current assets held for Sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its

sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

### **2.21 Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### **2.22 Cash & Bank Balances**

Cash and Cash Equivalents in the Balance Sheet comprise cash at banks and on hand and Bank deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

Outbreak of COVID-19 has impacted the realization from customers, however due to company's cash & bank balances position, Company does not foresee its impact on liquidity of company. Company believes that the working capital is sufficient to meet its requirements, accordingly no liquidity risk is perceived by the company.

Having reviewed the underlying data and based on current estimates, the Company does not expect any material impact on the carrying amount of these assets and liabilities. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

## **3. Impact of COVID -19 :**

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, loans and advances, property plant and equipment, intangibles etc as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information.



## Notes forming part of the Financial Statements for the year ended March 31, 2020 (Contd.)

### Note : 4 Tangible Assets

(All amounts in ₹, unless otherwise stated)

#### Current Year

Particulars	Cost or Deemed cost					Accumulated depreciation and impairment					Carrying Amount	
	Balance as at April 1, 2019	Additions	Adjustments	Disposals	Balance at March 31, 2020	Balance as at April 1, 2019	Adjustments	Depreciation expense	Disposals	Balance at March 31, 2020	As at March 31, 2020	As at March 31, 2019
<b>Property plant and equipment</b>												
Vehicles	3,181,050	-	-	-	3,181,050	1,379,525	-	405,252	-	1,784,777	1,396,273	1,801,525
Road, Drains & water supply	2,731,764	-	-	-	2,731,764	2,595,175	-	-	-	2,595,175	136,589	136,589
Building	34,312,221	-	-	-	34,312,221	15,199,019	-	847,814	-	16,046,833	18,265,388	19,113,202
Furniture and fixtures	14,990,136	78,828	-	151,620	14,917,344	11,561,682	-	688,061	76,808	12,172,935	2,744,409	3,428,454
Wind Power Project	58,000,000	-	-	-	58,000,000	32,674,645	-	2,242,535	-	34,917,180	23,082,820	25,325,355
Temporary Structure	2,613,392	-	-	-	2,613,392	2,613,392	-	-	-	2,613,392	-	-
Plant and Machinery-Imported	145,363,505	18,227,013	-	-	163,590,518	62,198,040	-	9,852,750	-	72,050,790	91,539,728	83,165,465
Plant and Machinery-Indigenous	58,707,231	147,424	-	-	58,854,655	28,368,662	-	3,162,469	-	31,531,131	27,323,524	30,338,569
Computer and Printers	23,231,057	1,039,168	-	391,197	23,879,028	19,068,791	-	993,842	318,185	19,744,448	4,134,580	4,162,266
<b>Leasehold Premises</b>												
Land*	12,727,973	-	-	-	12,727,973	1,450,302	-	128,565	-	1,578,867	11,149,106	11,277,671
<b>Subtotal</b>	<b>355,858,329</b>	<b>19,492,433</b>	<b>-</b>	<b>542,817</b>	<b>374,807,945</b>	<b>177,109,233</b>	<b>-</b>	<b>18,321,288</b>	<b>394,993</b>	<b>195,035,528</b>	<b>179,772,417</b>	<b>178,749,096</b>
Capital work-in-progress	149,650,136	39,452,954	-	-	189,103,090	-	-	-	-	-	189,103,090	149,650,136
<b>Total</b>	<b>505,508,465</b>	<b>58,945,387</b>	<b>-</b>	<b>542,817</b>	<b>563,911,035</b>	<b>177,109,233</b>	<b>-</b>	<b>18,321,288</b>	<b>394,993</b>	<b>195,035,528</b>	<b>368,875,507</b>	<b>328,399,232</b>

4.1 The land includes a land situated at Mansarover, Jaipur allotted by "Rajasthan Housing Board", Jaipur having carrying amount of ₹110.67 Lakhs as at March 31, 2020 ( ₹ 111.94 Lakhs as at March 31, 2019) as per allotment Letter dated 26.10.2007@ ₹ 3520/- Sq Mtrs + other charges which has been equitable mortgaged against a term loan of ₹187.19 Lakhs as at March 31, 2020 ( ₹ 311.61 Lakhs as at March 31, 2019).

4.2 Company is availing fund / non-fund based limits from Punjab National Bank, secured by way of Hypothecation of Raw Material, Stock in process, finished goods and book debts and further collaterally secured by first charge over fixed and movable Capital Assets of the Company.

4.3 Addition to Capital Work-in-progress during the year include ₹ 25,60,292 (Previous Year ₹ 37,07,828) being borrowing cost capitalised in accordance with Indian Accounting Standard (Ind AS) 23 on "Borrowing Costs". Capitalisation Rate for the Borrowing Cost capitalised is from April 2019 to Dec 2019 is 10.79% and from Jan 2020 to March 2020 is 11.27% ( Previous Year 10.79%) being the effective interest rate of Term Loan for Construction of building.

4.4 Computers and printers has been regrouped from furniture & fixtures and plants & machinery indigenous.

4.5 Road drains & water supply and Building has been segregated in road, drains & water supply and building separately.

(All amounts in ₹, unless otherwise stated)

#### Current Year

Particulars	Cost or Deemed cost					Accumulated depreciation and impairment					Carrying Amount	
	Balance as at April 1, 2018	Additions	Adjustments	Disposals	Balance at March 31, 2019	Balance as at April 1, 2018	Eliminated on disposals of assets	Depreciation expense	Adjustment	Balance at March 31, 2019	As at March 31, 2019	As at March 31, 2018
<b>Property plant and equipment</b>												
Vehicles	3,181,050	-	-	-	3,181,050	1,010,753	-	368,772	-	1,379,525	1,801,525	2,170,297
Road, Drains & water supply and building	37,043,985	-	-	-	37,043,985	16,946,380	-	847,814	-	17,794,194	19,249,791	20,097,605
Furniture and fixtures	15,702,855	472,970	58,236	-	16,117,589	11,480,213	-	836,217	48,103	12,268,327	3,849,262	4,222,642
Wind Power Project	58,000,000	-	-	-	58,000,000	30,432,110	-	2,242,535	-	32,674,645	25,325,355	27,567,890
Temporary Structure	2,613,392	-	-	-	2,613,392	2,613,392	-	-	-	2,613,392	-	-
Plant and Machinery-Imported	145,363,505	-	-	-	145,363,505	53,113,569	-	9,099,246	14,775	62,198,040	83,165,465	92,249,936
Plant and Machinery-Indigenous	78,857,200	2,006,415	52,780	-	80,810,835	41,600,108	-	5,180,841	50,141	46,730,808	34,080,027	37,257,092
<b>Leasehold Premises</b>												
Land*	12,727,973	-	-	-	12,727,973	1,321,737	-	128,565	-	1,450,302	11,277,671	11,406,236
<b>Subtotal</b>	<b>353,489,960</b>	<b>2,479,385</b>	<b>111,016</b>	<b>-</b>	<b>355,858,329</b>	<b>158,518,262</b>	<b>-</b>	<b>18,703,990</b>	<b>113,019</b>	<b>177,109,233</b>	<b>178,749,096</b>	<b>194,971,698</b>
Capital work-in-progress	92,413,845	57,236,291	-	-	149,650,136	-	-	-	-	-	149,650,136	92,413,845
<b>Total</b>	<b>445,903,805</b>	<b>59,715,676</b>	<b>111,016</b>	<b>-</b>	<b>505,508,465</b>	<b>158,518,262</b>	<b>-</b>	<b>18,703,990</b>	<b>113,019</b>	<b>177,109,233</b>	<b>328,399,232</b>	<b>287,385,543</b>

Notes forming part of the Financial Statements for the year ended March 31, 2020 (Contd.)

Note : 5 Intangible Assets

Current Year

(All amounts in ₹, unless otherwise stated)

Particulars	Cost or Deemed cost					Accumulated depreciation and impairment				Carrying Amount	
	Balance as at April 1, 2019	Additions from separate acquisitions	Additions from internal developments	Disposals or classified as held for sale	Balance at March 31, 2020	Balance as at April 1, 2019	Amortisation expense	Adjustments	Balance at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Technical Know-how	7,270,376	-	-	-	7,270,376	7,264,667	5,709	-	7,270,376	-	5,709
Subtotal (a)	7,270,376	-	-	-	7,270,376	7,264,667	5,709	-	7,270,376	-	5,709

Previous Year

(All amounts in ₹, unless otherwise stated)

Particulars	Cost or Deemed cost					Accumulated depreciation and impairment				Carrying Amount	
	Balance as at April 1, 2018	Additions from separate acquisitions	Additions from internal developments	Disposals or classified as held for sale	Balance at March 31, 2019	Balance as at April 1, 2018	Amortisation expense	Adjustments	Balance at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Technical Know-how	7,270,376	-	-	-	7,270,376	7,141,071	123,596	-	7,264,667	5,709	129,305
Subtotal (a)	7,270,376	-	-	-	7,270,376	7,141,071	123,596	-	7,264,667	5,709	129,305

6. Trade receivables - Non Current

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Unsecured, considered good	30,523,325	47,624,432
<b>Total</b>	<b>30,523,325</b>	<b>47,624,432</b>

7. Trade receivables - Current

Particulars	As at March 31, 2020	As at March 31, 2019
<b>From Related Party</b>		
(a) Unsecured, considered good	105,000	105,000
<b>From Others</b>		
(a) Unsecured, considered good	1,796,324,314	2,785,236,750
(b) Doubtful	135,425,193	44,633,054
Less : Allowance for doubtful debts	135,425,193	44,633,054
<b>Total</b>	<b>1,796,429,314</b>	<b>2,785,341,750</b>

8. Deferred Tax Asset (Net)

The following is the analysis of deferred tax Assets/(Liabilities) presented in the balance sheet:

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities	(41,619,324)	(49,646,531)
Deferred tax assets	144,244,248	146,112,095
<b>Net</b>	<b>102,624,924</b>	<b>(3,534,436)</b>

Year ended March 31, 2020

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax (assets)/liabilities in relation to :</b>				
Property, plant and equipment	(39,790,871)	1,617,297	-	(38,173,574)
Fair Value of financial assets	2,687,838	(824,164)	-	1,863,674
Allowance for Doubtful Debts	12,997,146	26,438,670	-	39,435,816
Deferred revenue	12,606,935	(8,178,931)	-	4,428,004
Deferred expense	(9,855,660)	6,409,910	-	(3,445,750)
Provisions for Employee Benefit	17,820,176	20,689,378	4,448,214	42,957,768
Tax on losses (Carry Forward Losses)	-	55,558,986	-	55,558,986
<b>Total</b>	<b>(3,534,436)</b>	<b>101,711,146</b>	<b>4,448,214</b>	<b>102,624,924</b>

Year ended March 31, 2019

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax (assets)/liabilities in relation to :</b>				
Property, plant and equipment	(51,438,582)	11,647,711	-	(39,790,871)
Fair Value of financial assets	5,616,539	(2,928,701)	-	2,687,838
Allowance for Doubtful Debts	6,509,466	6,487,680	-	12,997,146
Deferred revenue	27,947,448	(15,340,513)	-	12,606,935
Deferred expense	(21,601,628)	11,745,968	-	(9,855,660)
Provisions for Employee Benefit	26,256,751	(15,200,866)	6,764,291	17,820,176
<b>Total</b>	<b>(6,710,006)</b>	<b>(3,588,721)</b>	<b>6,764,291</b>	<b>(3,534,436)</b>

Notes forming part of the Financial Statements for the year ended March 31, 2020 ( Contd.)

**9. Other financial assets**

(All amounts in ₹ , unless otherwise stated)

**9A. Other financial assets - Non current**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>From Related Party</b>		
- Security Deposit	40,470	40,470
<b>Others -</b>		
- Security Deposit	1,066,365	1,076,365
- Loans & Advances to employee	400,189	439,748
- Cash and bank balance not available for immediate use (See Note below)	5,427,295	5,093,572
<b>Total</b>	<b>6,934,319</b>	<b>6,650,155</b>

**Note : Particulars of cash and bank balance not available for immediate use.**

Particulars	As at March 31, 2020	As at March 31, 2019
Bank Balances (Including interest accrued thereon) not available for immediate use being deposits pledged with bank as margin money.	39,573,765	38,349,763
Less : Amount reflected under Other Bank Balance [Note 11A]	34,146,470	33,256,191
<b>Amount reflected under other financial assets - non-current [Note 9A]</b>	<b>5,427,295</b>	<b>5,093,572</b>

**9B. Other financial assets - Current**

Particulars	As at March 31, 2020	As at March 31, 2019
- Security Deposits	809,500	677,500
- Loans to Staff	76,286	109,881
- Earnest Money	41,611,869	40,912,424
- Grant in Aid Receivable	-	474,500
- Subsidy Receivable	648,000	648,000
<b>Total</b>	<b>43,145,655</b>	<b>42,822,305</b>

**10. Inventories**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Inventories (lower of cost and net realisable value)</b>		
Raw materials	144,456,286	119,951,856
Work-in-progress	35,914,156	39,005,740
Finished goods	90,765,602	35,050,140
Packing Material	417,832	544,735
<b>Total</b>	<b>271,553,876</b>	<b>194,552,471</b>



## Notes forming part of the Financial Statements for the year ended March 31, 2020 ( Contd.)

### 11. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

(All amounts in ₹, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks	1,132,192	56,931,986
Cash on hand	122,101	140,661
<b>Cash and cash equivalents</b>	<b>1,254,293</b>	<b>57,072,647</b>

### 11A. Other Bank Balances

Particulars	As at March 31, 2020	As at March 31, 2019
Bank Deposits pledged with bank as margin money (maturity more than 3 months but less than 12 months)	34,146,470	33,256,191
<b>Total</b>	<b>34,146,470</b>	<b>33,256,191</b>

**Note :** Company is availing fund / non-fund based limits from Punjab National Bank, secured by way of Hypothecation of Raw Material, Stock in process, finished goods and book debts and further collaterally secured by first charge over fixed and movable Capital Assets of the Company.

### 12. Other assets

#### 12A. Other assests - Non Current

Particulars	As at March 31, 2020	As at March 31, 2019
Others -		
-Prepaid expenses	457,612	1,233,187
<b>Total</b>	<b>457,612</b>	<b>1,233,187</b>

#### 12B. Other assets - Current

Particulars	As at March 31, 2020	As at March 31, 2019
<b>From Related Parties</b>		
-Advance against expenses	537,729	801,132
-Prepaid expenses	1,633,896	3,566,181
-Other Advances	27,007,764	5,730,610
-GST Adjustable	13,461,850	10,755,324
<b>Total</b>	<b>42,641,239</b>	<b>20,853,247</b>

### 13. Current tax assets and liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current tax assets</b>		
Benefit of tax losses to be carried back to recover taxes paid in prior periods		
Advance Payment of taxes	48,534,137	449,703,171
	<b>48,534,137</b>	<b>449,703,171</b>
<b>Current tax liabilities</b>		
Income tax payable	1,840,780	461,385,883
	<b>1,840,780</b>	<b>461,385,883</b>
<b>Current tax Assets / (Liabilities)</b>	<b>46,693,357</b>	<b>(11,682,712)</b>



Notes forming part of the Financial Statements for the year ended March 31, 2020 ( Contd.)

14. Equity Share Capital

(All amounts in ₹ , unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity share capital	122,500,000	122,500,000
<b>Total</b>	<b>122,500,000</b>	<b>122,500,000</b>

<b>Authorised Share capital :</b>		
15000000 equity shares of Rs. 10 each	150,000,000	150,000,000
<b>Issued and subscribed capital comprises :</b>		
1,22,50,000 fully paid equity shares of Rs. 10 each (as at March 31, 2019 : 1,22,50,000)	122,500,000	122,500,000
	<b>122,500,000</b>	<b>122,500,000</b>

14.1 Movement during the period

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Share capital (Amount)	Number of shares	Share capital (Amount)
Balance at the start of the period	12,250,000	122,500,000	12,250,000	122,500,000
Movements	-	-	-	-
Balance at the end of the period	12,250,000	122,500,000	12,250,000	122,500,000

Fully paid equity shares, which have a par value of Rs.10, carry one vote per share and carry a right to dividends.

14.2 Details of shares held by the promoters.

Particulars	As at March 31, 2020	As at March 31, 2019
Government of India	6,247,500	6,247,500
<b>Total</b>	<b>6,247,500</b>	<b>6,247,500</b>

14.3 Details of shares held by each shareholder holding more than 5% shares.

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% holding in the class of shares	Number of shares	% holding in the class of shares
<u>Equity shares :</u>				
Government of India	6,247,500	51%	6,247,500	51%
M/s Rajasthan State Industrial Development and Investment Corporation Ltd., Jaipur	6,002,500	49%	6,002,500	49%
<b>Total</b>	<b>12,250,000</b>	<b>100%</b>	<b>12,250,000</b>	<b>100%</b>

15. Other Equity

Refer Statement of Changes in Equity for detailed movement in Equity balance.

Particulars	General Reserves	Retained Earnings	Total
<b>Balance as at March 31, 2019</b>	1,022,345,363	5,496,659	1,027,842,022
Add: Profit/(Loss) for the year	-	(170,663,326)	(170,663,326)
Add: Other Comprehensive Income	-	(10,827,248)	(10,827,248)
Less: Payment of Dividend	-	24,500,000	24,500,000
Less: Tax on Dividend	-	5,036,030	5,036,030
Less: Transfer to Retained Earnings	210,000,000	-	210,000,000
Add: Transfer from General Reserves	-	210,000,000	210,000,000
<b>Balance as at March 31, 2020</b>	<b>812,345,363</b>	<b>4,470,055</b>	<b>816,815,418</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2020 ( Contd.)

(All amounts in ₹, unless otherwise stated)

Particulars	General Reserves	Retained Earnings	Total
<b>Balance as at March 31, 2018</b>	962,345,363	8,707,658	971,053,021
Add: Profit/(Loss) for the year	-	102,789,781	102,789,781
Add: Other Comprehensive Income	-	(16,464,730)	(16,464,730)
Less: Payment of Dividend	-	24,500,000	24,500,000
Less: Tax on Dividend	-	5,036,050	5,036,050
Less: Transfer to General Reserves	-	60,000,000	60,000,000
Add: Transfer from Retained Earnings	60,000,000	-	60,000,000
<b>Balance as at March 31, 2019</b>	<b>1,022,345,363</b>	<b>5,496,659</b>	<b>1,027,842,022</b>

### 16A. Non-current Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Secured - at amortised cost</b>		
(i) Term loans		
- from banks	6,053,258	18,397,216
<b>Total Non-current borrowings</b>	<b>6,053,258</b>	<b>18,397,216</b>

Secured Term Loan from Bank includes ₹ 1,87,19,247 as at March 31, 2020 (as at March 31, 2019 ₹ 3,11,60,740) of which ₹ 1,26,65,989 (as at March 31, 2019 ₹ 1,27,63,524) are included in current maturities of long -term debt in Note No.17 for construction of building. The loan is secured by EM of land msg. 2500 Sq Mtrs, situated at Mansarovar, Jaipur allotted by "Rajasthan Housing Board, Jaipur as per allotment Letter dated 26.10.2007@ ₹ 3520/- Sq Mtrs + other charges.

The interest rate of above Term Loan is 10.00% p.a. from April 2019 to Dec 2019 and 10.40% p.a. from Jan 2020 to Mar 2020, however the effective interest on the above loan is from April 2019 to Dec 2019 is 10.79% and from Jan 2020 to March 2020 is 11.27%.

The above loan is also collaterally secured by first charge on all block assets of the company, present & future except primary security of Term Loan.

### 16B. Current Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Secured - at amortised cost</b>		
(a) Loans repayable on demand		
-from banks (Cash Credit)	97,459,347	-
<b>Total Current borrowings</b>	<b>97,459,347</b>	<b>-</b>

Secured Cash Credit Facility from Bank includes ₹ 9,74,59,347 as at March 31, 2020

The interest rate of above CC Facility is 9.90 % p.a.

The above loan is secured by way of Hypothecation of Raw Material, Stock In Progress, Finished Good, and Book Debts and further secured by first charge over Immovable and Moveable Capital Asset Of The Company.

### Footnote

#### 1. Age-wise analysis and Repayment terms of the Company's Long term Borrowings are as below:

Particulars	As at March 31, 2020	Repayment Schedule		As at March 31, 2019	Repayment Schedule		
		2020-21 ( )	2021-22 ( )		2019-20 ( )	2020-21 ( )	2021-22
Term Loan (PNB)	18,719,247	12,665,989	6,053,258	31,160,740	12,763,524	12,500,000	5,897,216
<b>Total</b>	<b>18,719,247</b>	<b>12,665,989</b>	<b>6,053,258</b>	<b>31,160,740</b>	<b>12,763,524</b>	<b>12,500,000</b>	<b>5,897,216</b>

Notes forming part of the Financial Statements for the year ended March 31, 2020 ( Contd.)

(All amounts in ₹ , unless otherwise stated)

**17. Other financial liabilities - Current**

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Earnest Money	7,798,392	9,358,392
(b) Retention money	2,095,950	2,095,950
(c) Security Deposit	9,647,455	2,717,320
(d) Current Maturities of long-term debt	12,665,989	12,763,524
(e) Employee Benefits Payable	7,213,787	10,628,111
(f) Others	2,243,711	606,322
<b>Total</b>	<b>41,665,284</b>	<b>38,169,619</b>

**18. Provisions**

**18A. Provisions - Non current**

Particulars	As at March 31, 2020	As at March 31, 2019
Employee benefits	2,679,999	2,381,006
<b>Total</b>	<b>2,679,999</b>	<b>2,381,006</b>

**18B. Provisions - Current**

Particulars	As at March 31, 2020	As at March 31, 2019
Employee benefits	54,894,285	52,534,177
Provision for Warranty	5,000,000	2,500,000
<b>Total</b>	<b>59,894,285</b>	<b>55,034,177</b>

**19. Other liabilities**

**19A. Other non-current liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
-Deferred Grant Related to income*	3,861,000	5,148,000
-Deferred Grant Related to asset*	2,135,707	2,242,507
-Deferred Revenue	20,963,649	34,233,916
<b>Total</b>	<b>26,960,356</b>	<b>41,624,423</b>

**19B. Other current liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
-Advance from customers	90,931,593	213,562,477
-Deferred Grant Related to income*	87,831,000	1,287,000
-Deferred Grant Related to asset*	106,800	106,800
-Pre-Receipt Training & Education	14,000	9,000
-Deferred revenue	24,975,642	47,465,703
-Statutory dues	11,322,335	52,042,574
<b>Total</b>	<b>215,181,370</b>	<b>314,473,554</b>

\*Deferred Grant related to Income will be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

\*\*Deferred Grant related to Assets is recognised in profit or loss on a systematic basis over the useful life of the asset.

**20A. Trade payables - Non Current**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>From Related Parties</b>	-	-
<b>From Others</b>		
-Total Outstanding dues of creditors of micro and small enterprises	-	-
-Total Outstanding dues of creditors other than micro and small enterprises	3,937,203	-
<b>Total</b>	<b>3,937,203</b>	-

## Notes forming part of the Financial Statements for the year ended March 31, 2020 (Contd.)

### 20B. Trade payables - Current

(All amounts in ₹, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
From Related Parties	-	-
From Others		
-Total Outstanding dues of creditors of micro and small enterprises	326,587,971	430,017,908
-Total Outstanding dues of creditors other than micro and small enterprises	1,025,545,400	1,452,154,253
<b>Total</b>	<b>1,352,133,371</b>	<b>1,882,172,162</b>

### 21.1 Contingent liabilities

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Guarantees given by bankers on behalf of the company.	4,430.07	6,328.73
(b) Claims against the company not acknowledges as debts.	39.67	28.08
(c) Service Tax Show cause notices/Demand raised by Excise & Tax Department (2009-10)	3.82	3.82

### 21.2 Contingent assets

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Insurance Claims lodged but not approved/settled	556,074	574,250
<b>Total</b>	<b>556,074</b>	<b>574,250</b>

### 21.3 Commitments

(₹ In Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed and not provided for including service and maintenance contracts.	6,539	14,288
Pending Capital Contracts	-	102
<b>Total</b>	<b>6,539</b>	<b>14,390</b>

### 22. Revenue from operations

(All amounts in ₹, unless otherwise stated)

The following is details of the Company's revenue for the period from continuing operations

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Sales		
Export	741,085	403,448
Domestic	631,566,576	2,195,359,000
(b) Other operating revenues		
Services Maintenance and installation Charges	331,968,239	391,362,356
Grant in aid*	142,373,000	80,318,500
Insurance Receipts	1,493,997	5,652,814
Carriage Receipts	987,557	20,037,032
<b>Total</b>	<b>1,109,130,454</b>	<b>2,693,133,150</b>

\* Grant in aid includes grant related to income amounting to ₹ 14,23,73,000 in current year ( ₹ 8,03,18,500 in previous year ) which is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Revenue disaggregation as has been included in segment information (Refer note 35).

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹ 7,20,34,389 of which 43.73% is expected to be recognised next year. No consideration from contracts with customers is excluded from the amount mentioned above.



**Notes forming part of the Financial Statements for the year ended March 31, 2020 ( Contd.)**

(All amounts in ₹ , unless otherwise stated)

**Changes in Deferred Revenue for the year ended March 31, 2020 are as follows :**

<b>Balances at the beginning of the year</b>	<b>81,699,619</b>
Revenue recognised during the year	45,102,885
Addition during the year	9,342,557
<b>Balance at the end of the year</b>	<b>45,939,291</b>

**23. Other Income**

a) Interest Income

<b>Particulars</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
Bank Deposits	2,370,838	2,982,590
Others	8,975,607	13,721,526
<b>Total (a)</b>	<b>11,346,445</b>	<b>16,704,116</b>

b) Other Non-Operating Income

<b>Particulars</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
Amortisation of Government Grant*	106,800	106,800
Others (aggregate of immaterial items)	624,341	2,920,120
<b>Total (b)</b>	<b>731,141</b>	<b>3,026,920</b>
<b>Total (a+b)</b>	<b>12,077,586</b>	<b>19,731,036</b>

\*Amortisation of Grant of ₹ 1,06,800 ( ₹ 1,06,800 in Previous Year ) is amortisation of grant related to assets which is recognised in profit or loss on a systematic basis over the useful life of the asset.

**24. Cost of material consumed**

<b>Particulars</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
<b>Cost of material Consumed</b>		
Opening stock	120,496,591	119,306,937
Add: Purchase of raw material	688,211,867	1,693,950,697
	<b>808,708,458</b>	<b>1,813,257,634</b>
Less: Closing stock	144,874,118	120,496,591
<b>Total</b>	<b>663,834,340</b>	<b>1,692,761,043</b>

**24A. Details of material consumed**

<b>Particulars</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
<b>(a) Details of Raw Materials consumed</b>		
Solar Energy Equipments		
-Solar Cells	46,791,145	99,373,698
-Others	307,074,328	923,764,902
Electronic Milk Analysers	300,516,285	653,097,216
Consumables & packing materials	9,452,582	16,525,227
<b>Total</b>	<b>663,834,340</b>	<b>1,692,761,043</b>
<b>(b) Value of Imported and indigenous material consumed</b>		
Imported	88,137,302	234,672,658
Indigenous	575,697,038	1,458,088,385
<b>Total</b>	<b>663,834,340</b>	<b>1,692,761,043</b>



Notes forming part of the Financial Statements for the year ended March 31, 2020 ( Contd.)

(All amounts in ₹ , unless otherwise stated)

**25. Change in inventories of finished goods and Work-in-progress**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Increase (-) / Decrease (+) in Stock		
Opening Stock		
Work-in-progress	39,005,740	35,879,488
Finished goods	35,050,140	55,762,874
	74,055,880	91,642,362
Less: Closing stock		
Work-in-progress	35,914,156	39,005,740
Finished goods	90,765,602	35,050,140
	126,679,758	74,055,880
<b>Change in inventories of WIP and Finished goods</b>	<b>(52,623,878)</b>	<b>17,586,482</b>
<b>Total</b>	<b>(52,623,878)</b>	<b>17,586,482</b>

**26. Employee benefits expense**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and Wages	311,565,620	303,376,238
Contribution to provident and other funds	31,462,620	26,237,739
Staff Welfare Expenses	9,807,247	14,025,776
<b>Total</b>	<b>352,835,487</b>	<b>343,639,753</b>

**27. Finance costs**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest costs	7,629,357	4,753,877
Bank Charges	2,805,053	2,451,713
Bank Guarantee Commission	2,769,736	3,601,432
<b>Total</b>	<b>13,204,146</b>	<b>10,807,022</b>

**28. Depreciation and amortisation expense**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment pertaining to continuing operations	18,321,288	18,703,990
Less : Depreciation of earlier year written off	-	14,775
Amortisation of intangible assets	5,709	123,596
<b>Total depreciation and amortisation pertaining to continuing operations</b>	<b>18,326,997</b>	<b>18,812,811</b>

Notes forming part of the Financial Statements for the year ended March 31, 2020 ( Contd.)

(All amounts in ₹ , unless otherwise stated)

**29. Other expenses**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Other Expenses</b>		
Power & fuel	6,804,562	5,260,185
<b>Repair &amp; Maintenance</b>		
- Plant & machinery	694,804	659,574
- Building	1,554,746	2,725,667
- Others	1,026,549	819,228
Testing & other expenses	238,378	605,658
Component & prototype for R&D	583,064	655,889
Rent	2,955,282	3,191,222
Rates & taxes	1,697,416	1,652,174
Printing & stationery	1,930,047	2,145,505
Travelling & conveyance	16,804,696	17,532,344
Postage & communication expenses	2,659,114	3,125,426
Board meeting expenses	19,037	26,511
Director's sitting fee	58,000	222,000
Vehicle running expenses	407,650	372,724
Legal & professional fee	3,148,367	4,621,415
Security, cleaning & other expenses	7,910,357	7,001,198
Payment to Auditors	303,000	316,000
Insurance charges	894,182	1,354,989
Training & education	699,060	1,276,156
Recruitment expenses	621,133	381,869
CSR expenses	3,035,744	2,925,243
Allowances for Doubtful Debts	90,792,139	25,823,917
Bad Debts	-	13,131,878
Advertising & business promotion	6,398,550	6,022,502
Forwarding expenses	6,657,335	24,925,330
Warranty Obligation	6,851,532	2,804,690
Royalty, Discount & commission	8,040,711	13,064,532
Service, maintenance & installation charges	237,481,630	333,669,161
Foreign exchange fluctuation (net)	933,855	214,986
Miscellaneous expenses	8,106,305	9,141,870
<b>Total</b>	<b>419,307,245</b>	<b>485,669,843</b>

Payments to Auditors	Year ended March 31, 2020	Year ended March 31, 2019
(a) Statutory audit fee	100,000	100,00
(b) Tax audit fee	60,000	45,000
(c) Certification work	118,000	146,000
(d) Out of pocket expenses	25,000	25,000
<b>Total</b>	<b>303,000</b>	<b>316,000</b>

Notes forming part of the Financial Statements for the year ended March 31, 2020 (Contd.)

30. Income taxes relating to continuing operations

(All amounts in ₹, unless otherwise stated)

30.1 Income tax recognised in profit or loss

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Current tax</b>		
In respect of the current period	-	35,205,070
Adjustment of tax relating to earlier year	-	2,003,660
	-	<b>37,208,730</b>
<b>Provision Reversal</b>		
In respect of the Previous period	(21,301,825)	-
	<b>(21,301,825)</b>	-
<b>Deferred tax</b>		
In respect of the current period	(101,711,146)	3,588,721
Adjustment of tax relating to earlier year	-	-
	<b>(101,711,146)</b>	<b>3,588,721</b>
<b>Total income tax expense recognised in the current period relating to continuing operations</b>	<b>(123,012,971)</b>	<b>40,797,451</b>

The income tax expense for the period can be reconciled to the accounting profit as follows :

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit/(Loss) before tax from continuing operations	<b>(293,676,297)</b>	<b>143,587,232</b>
Tax Rate	<b>29.120%</b>	<b>29.120%</b>
Accounting Profit / (Loss) multiplied by Tax Rate	(85,518,538)	41,812,602
Additional deduction for Research Expenditure	(8,833,952)	(5,182,179)
<b>Effect of expenses that are not deductible in determining taxable profit</b>		
-CSR Expenditure	884,009	851,831
- Interest on Income Tax	-	175,264
- Amortisation of Leasehold Land	37,438	37,438
Change in Tax Rate	-	(1,064,046)
Adjustment of Tax relating to earlier year	-	2,003,660
Provision Reversal	(21,301,825)	-
Effect of tax balances due to expenses allowed between books closing date and ITR Filing.	(8,280,103)	2,162,881
Income tax expense recognised in profit or loss (relating to continuing operations)	<b>(123,012,971)</b>	<b>40,797,451</b>

30.2 Income tax recognised in other comprehensive income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Deferred Tax</b>		
Re-measurement of defined benefit obligation	4,448,214	6,764,291
<b>Total</b>	<b>4,448,214</b>	<b>6,764,291</b>
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	4,448,214	6,764,291

Notes forming part of the Financial Statements for the year ended March 31, 2020 (Contd.)

(All amounts in ₹, unless otherwise stated)

**31. Earnings per share**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	₹ per share	₹ per share
<b>From Continuing operations</b>		
Profit / (Loss) after tax	(170,663,326)	102,789,781
Weighted average number of equity shares for calculation of basic EPS	12,250,000	12,250,000
<b>Basic earnings per share (one equity share of ₹ 10/- each)</b>	<b>-13.93</b>	<b>8.39</b>
Weighted average number of equity shares for calculation of diluted EPS	12,250,000	12,250,000
<b>Diluted earnings per share (one equity share of ₹ 10/- each)</b>	<b>-13.93</b>	<b>8.39</b>
<b>From Continuing operations</b>	<b>₹ per share</b>	<b>₹ per share</b>
Basic earnings per share	-13.93	8.39
Diluted earnings per share	-13.93	8.39

**31.1 Basic Earnings per share**

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows :

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit / (Loss) for the period attributable to owners of the Company (A)	(170,663,326)	102,789,781
Weighted average number of equity shares for the purposes of basic earnings per share (B)	12,250,000	12,250,000
<b>Basic Earnings per share (A/B)</b>	<b>-13.93</b>	<b>8.39</b>

**31.2 Diluted earnings per share**

The earnings used in the calculation of diluted earnings per share are as follows.

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows :

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Earnings used in the calculation of basic earnings per share	(170,663,326)	102,789,781
<b>Earnings used in the calculation of diluted earnings per share (A)</b>	<b>(170,663,326)</b>	<b>102,789,781</b>
Weighted average number of equity shares used in the calculation of basic earnings per share	12,250,000	12,250,000
<b>Weighted average number of equity shares used in the calculation of diluted earnings per share (B)</b>	<b>12,250,000</b>	<b>12,250,000</b>
<b>Diluted earnings per share (A/B)</b>	<b>-13.93</b>	<b>8.39</b>

**32. Employee benefit plans**

**32.1 Defined contribution plans**

The Company contributes to defined contribution retirement benefit plans for all qualifying employees of its Company maintained at Employee Provident Fund Office, Govt. of India.

The total expense recognised in profit or loss account of ₹ 2,25,78,330 /- (Previous Year ₹ 1,93,45,131 /-).

## Notes forming part of the Financial Statements for the year ended March 31, 2020 ( Contd.)

### 32.2 Defined benefit plans

The employee gratuity fund scheme is managed by a policy , administered by Life Insurance Corporation of India through approved gratuity trust fund. The present value of obligation is determined based on Actuarial Valuation using the Projected Unit Credit Method to assess the plan's liabilities including those related to retirement, resignation and death-in-service benefits.

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Since investment is with insurance company ( LIC ), assets are considered to be secured
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

(All amounts in ₹ , unless otherwise stated)

Particulars	Valuation as at	
	As at March 31, 2020	As at March 31, 2019
Discount rate (s)	6.83%	7.69%
Rate (s) of salary increase	6.00%	6.00%
Rate of Employee Turnover	2.00%	2.00%
Expected Return on Plan Assets	6.83%	7.69%
Mortality rates* (During Employment)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of funded defined benefit obligation	(172,358,831)	(160,028,644)
Fair value of plan assets	123,810,453	114,140,018
Funded status	(48,548,378)	(45,888,626)
Restrictions on asset recognised		
<b>Net liability arising from defined benefit obligation</b>	<b>(48,548,378)</b>	<b>(45,888,626)</b>

Net Interest Cost for Current Period are as follows

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of Benefit Obligation at the Period	160,028,644	132,884,355
Fair value of plan assets at the Beginning of the Period	(114,140,018)	(109,206,904)
<b>Net Liability/(Assets) at the Beginning</b>	<b>45,888,626</b>	<b>23,677,451</b>
Interest Cost	12,306,203	10,471,287
(Interest Income)	(8,777,367)	(8,605,504)
<b>Net Interest Cost for Current Period</b>	<b>3,528,836</b>	<b>1,865,783</b>

Notes forming part of the Financial Statements for the year ended March 31, 2020 (Contd.)

(All amounts in ₹, unless otherwise stated)

**Expenses Recognized in the Statement of Profit or Loss for Current Period are as follows**

Particulars	As at March 31, 2020	As at March 31, 2019
Current Service Cost	4,902,551	4,647,077
Net Interest Cost	3,528,836	1,865,783
Past Service Cost	-	-
<b>Expenses Recognized</b>	<b>8,431,387</b>	<b>6,512,860</b>

**Expenses Recognized in the Other Comprehensive Income (OCI)/for Current Period are as follows**

Particulars	As at March 31, 2020	As at March 31, 2019
Actuarial (Gains)/Losses on Obligation For the Period	14,588,283	22,961,154
Return on Plan Assets, Excluding Interest Income	687,179	267,867
Change in Asset Ceiling	-	-
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>15,275,462</b>	<b>23,229,021</b>

**Movements in the present value of the defined benefit obligation are as follows**

Particulars	As at March 31, 2020	As at March 31, 2019
Opening defined benefit obligation	160,028,644	132,884,355
Interest cost	12,306,203	10,471,287
Current service cost	4,902,551	4,647,077
Past Service Cost	-	-
<b>Remeasurement (gains)/losses :</b>		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	7,877,679	1,616,043
Actuarial gains and losses arising from experience adjustments	6,710,604	21,345,111
Benefits paid from the Fund	(19,466,850)	(10,935,229)
<b>Closing defined benefit obligation</b>	<b>172,358,831</b>	<b>160,028,644</b>

**Movements in the fair value of the plan assets are as follows**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Opening fair value of plan assets</b>	<b>114,140,018</b>	<b>109,206,904</b>
Interest income	8,777,367	8,605,504
Return on plan assets (excluding amounts included in net interest expense)	(687,179)	(267,867)
Contributions from the employer	21,047,097	7,530,706
Benefits paid from the Fund	(19,466,850)	(10,935,229)
<b>Closing fair value of plan assets</b>	<b>123,810,453</b>	<b>114,140,018</b>

**Balance Sheet Reconciliation**

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Net Liability	45,888,626	23,677,451
Expenses Recognized in Statement of Profit or Loss	8,431,387	6,512,860
Expenses Recognized in OCI	15,275,462	23,229,021
Net Liability/(Asset) Transfer In		
Net Liability/(Asset) Transfer Out		
Net Effect of Changes in Foreign Exchange Rates		
(Benefit Paid Directly by the Employer)	(21,047,097)	(7,530,706)
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>48,548,378</b>	<b>45,888,626</b>



**Notes forming part of the Financial Statements for the year ended March 31, 2020 ( Contd.)**

**Category of Assets**

(All amounts in ₹ , unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Insurance Fund	123,810,453	114,140,018
Net Liability/(Asset) Recognized in the Balance Sheet	<b>123,810,453</b>	<b>114,140,018</b>

**Other Details**

Particulars	As at March 31, 2020	As at March 31, 2019
No. of Active Members	254	261
Per Month Salary For Active Members	15,687,345	15,055,820
Weighted Average Duration of the Projected Benefit Obligation	7	7
Average Expected Future Service	12	12
Projected Benefit Obligation (PBO)	172,358,831	160,028,644
Prescribed Contribution for Next Year (12 Months)	15,687,345	15,055,820

**Net Interest Cost for Next Year are as follows**

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of Benefit Obligation at the End of the Period	172,358,831	160,028,644
Fair value of plan assets at the End of the Period	(123,810,453)	(114,140,018)
Net Liability/(Assets) at the End of the Period	48,548,378	45,888,626
Interest cost	11,772,108	12,306,203
(Interest Income)	(8,456,254)	(8,777,367)
Net Interest Cost for Next Period	3,315,854	3,528,836

**Expenses Recognized in the Statement of Profit or Loss for Next Period are as follows**

Particulars	As at March 31, 2020	As at March 31, 2019
Current Service Cost	5,383,331	4,902,551
Net Interest Cost	3,315,854	3,528,836
<b>Expenses Recognized</b>	<b>8,699,185</b>	<b>8,431,387</b>

**Maturity Analysis of Projected Benefit Obligation : From the Fund**

Particulars	As at March 31, 2020	As at March 31, 2019
Projected Benefits Payable in Future Years from the Date of Reporting		
1st Following Year	20,859,789	21,636,369
2nd Following Year	11,809,739	15,533,410
3rd Following Year	26,967,660	14,118,809
4th Following Year	18,074,254	24,272,584
5th Following Year	22,015,249	16,529,289
Sum of Years 6 to 10	76,251,063	81,378,229
Sum of Years 11 and above	103,427,225	99,639,642

**Sensitivity Analysis**

Particulars	As at March 31, 2020	As at March 31, 2019
Projected Benefits Obligation on Current Assumptions	172,358,831	160,028,644
Delta Effect of +1% Change in Rate of Discounting	(9,089,299)	(8,140,368)
Delta Effect of -1% Change in Rate of Discounting	10,211,845	9,102,073
Delta Effect of +1% Change in Rate of Salary Increase	6,421,458	6,466,597
Delta Effect of -1% Change in Rate of Salary Increase	(6,679,034)	(6,475,861)
Delta Effect of +1% Change in Rate of Employee Turnover	1,203,807	1,496,610
Delta Effect of -1% Change in Rate of Employee Increase	(1,318,515)	(1,636,657)

## Notes forming part of the Financial Statements for the year ended March 31, 2020 ( Contd.)

(All amounts in ₹ , unless otherwise stated)

### 33. Financial Instruments

#### 33.1 Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

#### 33.2 Categories of financial instruments and Fair Values

A.) The carrying amounts and fair values of financial instruments by class are as follows:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>	<b>1,878,286,906</b>	<b>1,878,504,395</b>	<b>2,939,511,289</b>	<b>2,940,147,203</b>
<b>Financial assets at amortised cost :</b>				
<b>Non Current</b>				
Trade receivables*	30,523,325	30,731,799	47,624,432	48,248,593
Other Financial Assets	6,934,319	6,943,334	6,650,155	6,661,908
<b>Current</b>				
Trade receivables	1,796,429,314	1,796,429,314	2,785,341,750	2,785,341,750
Cash and cash equivalents	1,254,293	1,254,293	57,072,647	57,072,647
Other financial assets	43,145,655	43,145,655	42,822,305	42,822,305
<b>Financial liabilities</b>				
<b>Financial liabilities held at amortised cost :</b>	<b>1,403,789,116</b>	<b>1,403,789,116</b>	<b>1,938,738,996</b>	<b>1,938,738,996</b>
<b>Non Current</b>				
Trade Payables	3,937,203	3,937,203	-	-
Borrowings	6,053,258	6,053,258	18,397,216	18,397,216
<b>Current</b>				
Trade Payables	1,352,133,371	1,352,133,371	1,882,172,161	1,882,172,161
Others financial liabilities	41,665,284	41,665,284	38,169,619	38,169,619

The Company has disclosed financial instruments such as cash and cash equivalents, current trade receivables, current trade payables and other current financial assets/liabilities 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

Except for cash and cash equivalents, current trade receivables, current trade payables and other current financial assets/liabilities disclosed at carrying value, all other financial assets /liabilities are fair valued using level 3 hierarchy

The fair values of the financial assets and financial liabilities included in the level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis

## Notes forming part of the Financial Statements for the year ended March 31, 2020 ( Contd.)

(All amounts in ₹ , unless otherwise stated)

### 33.3 Financial risk management objectives

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. Risk Management framework is constantly updated for new and emerging risks emanating from business expansion and interests. Risk Management framework of the company encompasses practices relating to identification, assessment, monitoring and mitigation of various risks to key business objective. Risk management practices of the company seek to sustain and enhance the long-term competitive advantage of the company. Core values and ethics of the company provide the platform for its risk management practices. This system provides a holistic view of the business, wherein risks are identified in a structured manner.

Risk Management aims to ensure timely and prudent decisions to:

- Maximise positive impacts of opportunities.
- Minimise negative impacts of risks.
- Convert risks into opportunities.

#### A.) Market risk management

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see note A(i) below) and interest rates (see note A(ii) below).

There has been no change to the company's exposure to market risks or the manner in which these risks are managed and measured

#### A.)(i) Foreign currency risk management

The Company is subject to the risk that changes in foreign currency values impact the Company's exports revenue and imports of raw material and property, plant and equipment.

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar

As at 31st March, 2020, the foreign currency exposure to the Company on holding financial liabilities (trade payables) amounted to ₹ 233.76 Lakhs (March 31, 2019: ₹ 378.72 Lakhs).

#### A.)(i)(a) Foreign currency sensitivity analysis

A 5% strengthening of the INR against key currencies to which the Company is exposed would have led to approximately an additional ₹ 49.62 Lakhs gain in the Statement of Profit and Loss (2018-19: ₹ 113.37 Lakhs gain). A 5% weakening of the INR against these currencies would have led to an equal but opposite effect.

#### A.)(ii) Interest rate risk management

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding term loan of ₹ 187.19 Lakhs (March 31, 2019: ₹ 311.61 Lakhs) and Cash Credit / Overdraft of ₹ 974.59 Lakhs (March 31, 2019: ₹ Nil) . Outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk.

#### B.) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties. The company mostly transacts with government entities reducing the risk of default on contractual obligations. The company's exposure is continuously monitored.

The credit limits are fixed in respect of individual customers that are approved by Head of Marketing Department . These limits are checked before orders are accepted from the customers. Also there is a system of periodic review of credit limits.

The Company's maximum exposure to credit risk as at 31st March, 2020 & 31st March, 2019 is the carrying value of each class of financial assets.

## Notes forming part of the Financial Statements for the year ended March 31, 2020 ( Contd.)

(All amounts in ₹ , unless otherwise stated)

The company is making provisions on trade receivables based on Simplified Approach of Expected Credit Loss (ECL) model. The Company had followed the practice of creating the provision for doubtful debts @5% for outstanding of more than 3 years and upto 4 years, @ 10% for outstanding of more than 4 years and upto 5 years and 15% for outstanding of more than 5 years upto 31.03.2019. However, looking to the slow realization, old realizable outstanding has increased substantially as compared to previous year figures. Majority of the overdue debtors belongs to Govt. /Govt. Agencies/Govt. Nodal Agencies and Milk Cooperative societies. After observing past trend it is concluded that amount is realizable but looking to the pendency of the amount since long the Company has decided to make provision for doubtful debts @ 10% for outstanding of more than 3 years and upto 4 years, @20% for outstanding of more than 4 years and upto 5 years and @ 30% for outstanding of more than 5 years thereby totaling to ₹ 13,54,25,193/-. The above principle is based on the assumptions of prudence; consistency in recovery of debtors as per past trends where recovery has been delayed but debts has always remained good.

Particulars	2019-20	2018-19
<b>Opening Balance</b>	<b>44,633,054</b>	<b>18,809,137</b>
<b>Changes in loss allowance :</b>		
Bad Debts	-	(656,594)
Additional Provision	90,792,139	26,480,511
<b>Closing Balance</b>	<b>135,425,193</b>	<b>44,633,054</b>

### C.) Liquidity risk management

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company manages liquidity risk by maintaining sufficient cash and by having access to funding through fund based limit in Bank Accounts.

The following table shows the maturity analysis of the Company's financial liabilities based on estimated flows along with its carrying value as at the Balance Sheet date.

Particulars	Carrying Amount	Payable within 1 year	1-2 years	More than 2 years	Total
<b>As at March 31, 2020</b>					
Trade Payables*	1,356,070,574	1,352,133,371	3,937,203	-	1,356,070,574
Borrowings	103,512,605	97,459,347	6,053,258	-	103,512,605
Other financial Liabilities	41,665,284	41,665,284	-	-	41,665,284
<b>Total</b>	<b>1,501,248,463</b>	<b>1,491,258,002</b>	<b>9,990,461</b>	<b>-</b>	<b>1,501,248,463</b>
<b>As at March 31, 2019</b>					
Trade Payables*	1,882,172,161	1,882,172,161	-	-	1,882,172,161
Borrowings	18,397,216	-	12,500,000	5,897,216	18,397,216
Other financial Liabilities	38,169,619	38,169,619			38,169,619
<b>Total</b>	<b>1,938,738,996</b>	<b>1,920,341,780</b>	<b>12,500,000</b>	<b>5,897,216</b>	<b>1,938,738,996</b>

\* Trade Payable includes ₹ 90,74,41,370/- as at March 31, 2020 ( ₹ 1,00,05,91,644/- as at March 31, 2019) which is payable to the contractor only when the payment is received from customer.

Notes forming part of the Financial Statements for the year ended March 31, 2020 ( Contd.)

(All amounts in ₹ , unless otherwise stated)

**34. Related Party Disclosures**

**(a) Name of the Related Parties and Description of Relationship:**

**As at March 31, 2020**

Nature of Relationship	Name of Entity	Abbreviation used
Control	Government of India	GOI
Significant Influence	RIICO Ltd.	RIICO
Key Management Personnel	Shri A K Jain	MD
	Shri Subhash Agrawal	CFO
	Shri Amit Kumar Jain	CS

**As at March 31, 2019**

	Name of Entity	Abbreviation used
Control	Government of India	GOI
Significant Influence	RIICO Ltd.	RIICO
Key Management Personnel	Shri A K Jain	MD
	Shri Subhash Agrawal	CFO
	Shri Amit Kumar Jain	CS

**34 (b) Transactions/ balances with above mentioned related parties (mentioned in note 36(a) above)**

**As at Mar 31,2020**

Particulars	Government of India	RIICO Ltd.	Shri A K Jain	Shri Subhash Agrawal	Shri Amit Kumar Jain	Total
<b>Balance</b>						
Trade Receivable	-	105,000	-	-	-	<b>105,000</b>
Security Deposit	-	40,470	-	-	-	<b>40,470</b>

<b>Transactions</b>						
Remuneration	-	-	5,236,202	3,072,924	1,081,557	<b>9,390,683</b>
Dividend Paid	12,495,000	12,005,000	-	-	-	<b>24,500,000</b>

**As at Mar 31,2019**

Particulars	Government of India	RIICO Ltd.	Shri A K Jain	Shri Subhash Agrawal	Shri Amit Kumar Jain	Total
<b>Balance</b>						
Trade Receivable	-	105,000	-	-	-	<b>105,000</b>
Security Deposit	-	40,470	-	-	-	<b>40,470</b>

<b>Transactions</b>						
Remuneration	-	-	4,935,355	3,266,533	1,117,819	<b>9,319,707</b>
Dividend Paid	12,495,000	12,005,000	-	-	-	<b>24,500,000</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2020 ( Contd.)

(All amounts in ₹ , unless otherwise stated)

### 35. Segment Reporting

In Compliance of Ind AS 108 on “Segment Reporting”, the required information is as under:

Business Segments: - The Company has adopted following business segments as its reportable segment.

1. Renewable Energy

2. Electronic

Geographical Segment has been considered for secondary Segments Reporting by treating sales revenue in India and foreign countries as separate geographical segments.

#### (I) Primary - Business Segments :

(₹ In Lakhs)

	Renewable Energy		Electronic		Total	
Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
<b>Revenue</b>						
External (Net of ED)	4,771.93	15,603.41	6,319.37	11,327.92	11,091.30	26,931.33
Inter-Segment	-	-	-	-	-	-
<b>Segment Revenue</b>	<b>4,771.93</b>	<b>15,603.41</b>	<b>6,319.37</b>	<b>11,327.92</b>	<b>11,091.30</b>	<b>26,931.33</b>
Total Revenue						
<b>Segment results</b>	<b>-1,975.57</b>	<b>388.08</b>	<b>-942.61</b>	<b>988.82</b>	<b>-2,918.18</b>	<b>1,376.90</b>
Interest income					113.46	167.04
Interest expenditure					132.04	108.07
Tax Expense					-1,230.13	407.97
Net Profit / (Loss)					<b>-1,706.63</b>	<b>1,027.90</b>

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
<b>Segment assets</b>	<b>15,856.49</b>	<b>20,197.19</b>	<b>9,338.33</b>	<b>13,782.08</b>	<b>25,194.82</b>	<b>33,979.27</b>
Unallocated Assets					2,257.98	1,198.84
Total assets					27,452.80	35,178.11
<b>Segment liabilities</b>	<b>8,857.78</b>	<b>19,405.75</b>	<b>6,882.21</b>	<b>4,712.19</b>	<b>15,739.99</b>	<b>24,117.95</b>
Unallocated Liabilities					11,712.81	11,060.17
Total liabilities					27,452.80	35,178.11

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
<b>Capital Expenditure for the year</b>	<b>380.71</b>	<b>289.73</b>	<b>208.74</b>	<b>307.43</b>	<b>589.45</b>	<b>597.16</b>
<b>Depreciation for the year</b>	<b>151.25</b>	<b>145.16</b>	<b>32.02</b>	<b>42.97</b>	<b>183.27</b>	<b>188.13</b>



**Notes forming part of the Financial Statements for the year ended March 31, 2020 ( Contd.)**

(All amounts in ₹ , unless otherwise stated)

**(II) Secondary - Geographical Segments :**

(₹ In Lakhs)

Particulars	India		Outside India	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Revenue	11,083.89	26,927.30	7.41	4.03
Carrying Amount of Segment Assets	25,194.82	33,979.27	-	-
Capital Expenditure/Additions to Fixed Assets	589.45	597.16	-	-

**36. Other notes annexed to and forming parts of the accounts for the year ended March 31, 2020**

**A. CIF value of imports**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Raw material & Components	77,316,301.00	220,758,383
Plant & Machinery	16,622,234.00	-

**B. Expenditure in foreign currency**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Foreign Travelling	439,271.00	-
Royalty	5,959,479.00	6,427,949

**C. Earning in foreign exchange on FOB value**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Export Sales	741,085.00	403,448
Others-misc. income	350,341.00	42,328

**D.(i) Corporate Social Responsibility (2019-20)**

- Gross amount required to be spent by the Company during the year - ₹ 29,48,000/-
- Amount spent during the year ;

Nature of Work	In cash	Yet to be paid in cash	Total
Construction / Acquisition of any asset	-	-	-
On purpose other than above	3,035,744	-	3,035,744

**D.(ii) Corporate Social Responsibility (2018-19)**

- Gross amount required to be spent by the Company during the year - ₹ 33,43,000/-
- Amount spent during the year ;

Nature of Work	In cash	Yet to be paid in cash	Total
Construction / Acquisition of any asset	-	-	-
On purpose other than above	2,925,243	-	2,925,243

**E. Expenditure on Research and Development**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue	30,314,372	35,207,512
Capital	22,000	384,375
<b>Total</b>	<b>30,336,372</b>	<b>35,591,887</b>

**Notes forming part of the Financial Statements for the year ended March 31, 2020 ( Contd.)**

(All amounts in ₹ , unless otherwise stated)

**F. Disclosures under Section 22 of the MICRO, SMALL & MEDIUM Enterprises Development Act, 2006.**

( ₹ In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
i) The Principal amount remaining unpaid to supplier as at the end of accounting year.*	3,265.87	4,300.18
ii) The interest due thereon remaining unpaid to supplier as at the end of accounting year.	-	-
iii) The amount of interest paid in terms of section 16, alongwith the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	-	-
v) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	-	-
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	-	-
<b>Total</b>	<b>3,265.87</b>	<b>4,300.18</b>

\* Mainly comprising of outstanding which is not payable due to contractual terms and conditions.

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" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

**G. Provision(s)/Adjustment(s) has not been made in the accounts for :**

(a) Additional liabilities, if any, in respect of pending Indirect taxes and Income-tax assessment, being unascertained and liabilities which may arise in future due to mismatching of input tax credit.

(b) Claims pending for settlement in court of law, being unascertained.

**H.** Expenditure on Technical Literature, Software, Electronic Media Stores, Maintenance, Printing & Stationery and Consumable stores are charged to profit & loss account treating them as consumed in the year of purchases.

**I.** Sales does not include sales of spares for which service job reports from field has been received after closing of the financial year.

**J. Impairment**

No impairment loss has been recognized during the year, since there was no indication of Impairment of any asset/CGU according to procedures/guidelines given under the Ind AS-36 "Impairment of Assets".

**K.** Previous years comparative figures have been regrouped wherever necessary.

As per our report of even date attached  
For & on behalf of **R.K. Malpani & Associates**  
Chartered Accountants  
FRN 002759C

Sd/-  
**Rakesh Jhalani**  
Partner  
Membership No. 074142  
Place: Jaipur  
Date: 16th Sept., 2020  
UDIN: 20074142AAAABW3739

For and on behalf of the Board

Sd/-  
**(Ashok Pathak)**  
Director

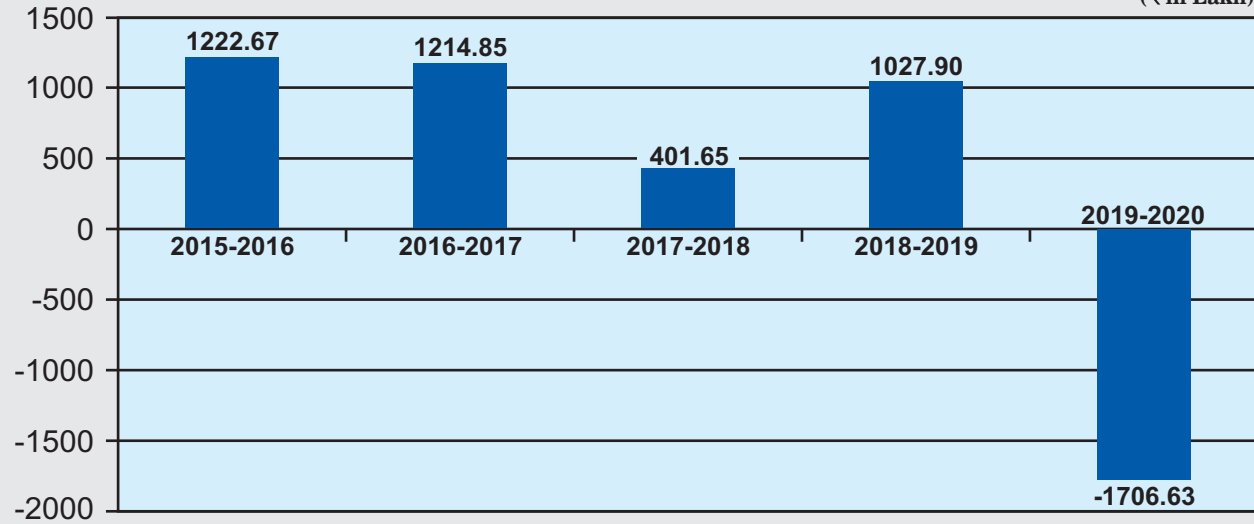
Sd/-  
**(Amit Kumar Jain)**  
Company Secretary

Sd/-  
**(Rakesh Chopra)**  
Managing Director

Sd/-  
**(Subhash Agrawal)**  
Chief Financial Officer

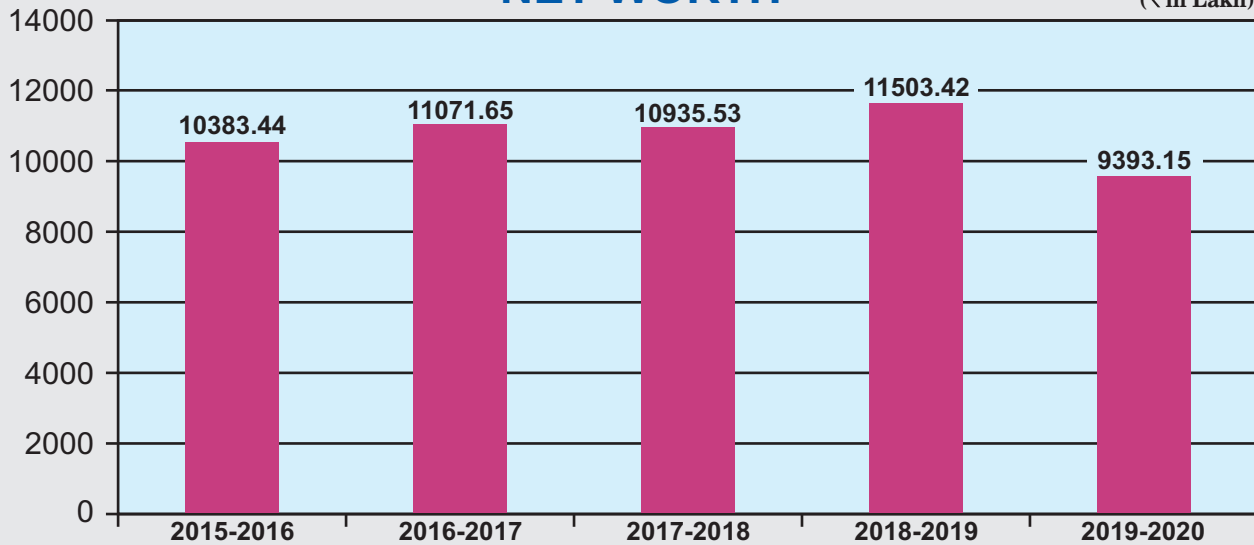
## NET PROFIT

(₹ in Lakh)



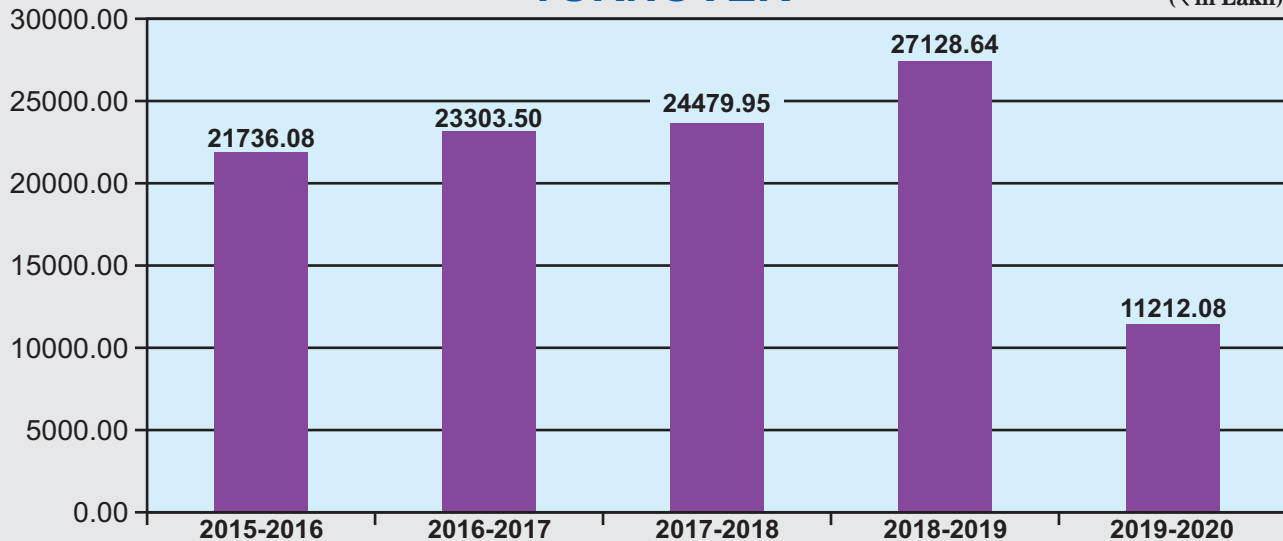
## NET WORTH

(₹ in Lakh)



## TURNOVER

(₹ in Lakh)





### **Registered Office & Works**

Rajasthan Electronics and Instruments Ltd.  
2, Kanakpura Industrial Area, Sirsi Road,  
Jaipur-302034, Rajasthan, India

Tel : 91-141-2470271, 2470062, 2470363  
Fax : 91-141-2470139, 2470981, 2470841  
e-Mail : [reiljp@reiljp.com](mailto:reiljp@reiljp.com)

### **Corporate Office**

Rajasthan Electronics and Instruments Ltd.  
REIL House, Shipra Path  
Mansarovar, Jaipur - 302020  
Rajasthan, India.

Tel : 91-141-2888511-14  
Fax : 91-141-2888515  
e-Mail : [mndo@reiljp.com](mailto:mndo@reiljp.com)

### **Regional Offices :**

Jaipur | Jodhpur | Anand | Bhopal | Chandigarh | Patna | Lucknow | Hyderabad | Bangalore