DMG

DELTA MANUFACTURING GROUP

DELTA MANUFACTURING LIMITED

(Formerly known as 'Delta Magnets Limited')

39th Annual Report 2020-21

THE BOARD OF DIRECTORS

Mr. Jaydev Mody	Non-Executive Chairman
Dr. Ram H. Shroff	Managing Director
Ms. Anjali Mody	Non-Executive Director
Mr. Darius Khambatta	Independent Director
Mr. Javed Tapia	Independent Director
Mr. Rajesh Jaggi	Independent Director
Dr. Vrajesh Udani	Independent Director

CHIEF FINANCIAL OFFICER

Mr. Abhilash Sunny

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Anannya Godbole
Email Id.: secretarial@dmltd.in

REGISTERED OFFICE

B-87, MIDC, Ambad, Nasik - 422 010, Maharashtra.

PLANT LOCATION

1. B-87, MIDC, Ambad, Nashik-422010, Maharashtra
2. Plot No. 101-103, 19th Street, MIDC, Satpur, Nashik 422 207, Maharashtra
3. Ganapathipuram, Survey No.21/2d, Tambaram East, 80 MES Road, Irumbuliyur, Chennai 600 059, Tamil Nadu

STATUTORY AUDITORS

M/s. M H S & Associates
Chartered Accountants

BANKERS

Axis Bank Limited

SHARE TRANSFER AGENTS

Freedom Registry Limited

Plot No. 101/102, MIDC, 19th Street,
Satpur, Nasik - 422 007, Maharashtra.
Phone : (0253) 2354032, 2363372
Facsimile: (0253) 2351126
e-mail : support@freedomregistry.co.in

SHARES LISTED ON

BSE Limited

National Stock Exchange of India Limited

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NOTICE

Notice is hereby given that the 39th Annual General Meeting (AGM) of members of Delta Manufacturing Limited (formerly known as Delta Magnets Limited) (the Company) will be held on Tuesday, 28th September, 2021 at 2.30 p.m.(IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement (including the Consolidated Financial Statement) for the Financial Year ended 31st March, 2021 together with the Reports of the Board of Directors and the Auditors thereon.

2. To appoint a director in place of Ms. Anjali Mody (DIN: 02784924), who retires by rotation and being eligible offers herself for re-appointment.

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the MCA, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate members are required to send, (before e-voting/ attending AGM) a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM, pursuant to section 113 of the Companies Act, 2013 (the Act) on the e-mail id secretarial@dmltd.in.

3. The members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Listing Regulations), and the Circulars issued by the MCA dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited

(NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

6. In line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.deltamagnets.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

7. In terms of Section 152 of the Act, Ms. Anjali Mody, Director, shall retire by rotation at the ensuing AGM. Ms. Anjali Mody, being eligible, offers herself for re-appointment.

   The Board of Directors of the Company recommends re-appointment of Ms. Anjali Mody.

8. Details of Ms. Anjali Mody, Director, proposed to be appointed/re-appointed at the ensuing AGM, as required by Regulation 26 of Listing Regulations and Secretarial Standards on General Meetings (SS – 2) are forming part of this Notice.

9. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 21st September, 2021 to Tuesday, 28th September, 2021 (both days inclusive), for the purpose of AGM.

10. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under section 170 of the Act, The Register of Contracts or Arrangements in which the Directors are interested under section 189 of the Act and all other documents referred to the Notice will be available for inspection in electronic mode. Members can inspect the same by sending email to secretarial@dmltd.in.

11. Unclaimed Dividends:

    a) Members of the Company are requested to note that as per the provisions of Section 124(5) and Section 124(6) of the Act, dividends not encashed / claimed by the Member of the Company, within a period of seven years from the date of declaration of dividend, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF), also all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the Demat Account of IEPF Authority notified by the MCA ('IEPF Demat Account').

       Members/ claimants whose shares, unclaimed dividend have been transferred to the IEPF, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF- 5 (available on iepf.gov.in) along with requisite fees, if any, as decided by the IEPF Authority from time to time. The Member/ Claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

    b) Details of Unclaimed Dividend and Shares attached thereto on Website:

       The details of the unpaid/unclaimed dividend are available on the website of the Company i.e. www.deltamagnets.com.

    c) Members are requested to note that pursuant to the Scheme of Amalgamation between the Company, Arrow Textiles Limited (First Transferor Company or ATL) and MMG India Private Limited (Second Transferor Company or MMG) and respective shareholders as approved by Hon'ble National Company Law Tribunal, Mumbai bench (NCLT) by its order dated 27th December, 2019 (the Scheme), ATL amalgamated with the

Company. As per the provisions of Section 124(5) and Section 124(6) of the Act, dividends declared by ATL not encashed / claimed by the members, within a period of seven years from the date of declaration of dividend, shall be transferred by the Company to the IEPF.

12. Unclaimed Proceeds of Fractional Shares:

    Members of the Company are requested to note that as per the provisions of Section 124(5) and Section 124(6) of the Act, proceeds of fractional shares not claimed by the Member of the Company, within a period of seven years from the date of sale of shares, shall be transferred by the Company to the IEPF.

13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020 and January 15, 2021, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.deltamagnets.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL https://www.evoting.nsdl.com

    Members are requested to register/update their e-mail addresses with the Depository Participant (DP) (in case of shares held in dematerialized form) or with Share Transfer Agent (STA) (in case of shares held in physical form) which will help us in prompt sending of Notices, annual reports and other shareholder communications in electronic form.

14. Members are requested to:

    (a) intimate to the Company's STA, changes, if any, in their registered addresses at an early date, in case of shares held in physical form;

    (b) intimate to the respective DP, changes, if any, in their registered addresses/email ID or bank mandates to their DP with whom they are maintaining their demat accounts.

    (c) quote their Folio Numbers/Client ID/DP ID and contact details in all correspondence; and

    (d) consolidate their holdings into one Folio in case they hold shares under multiple Folios in the identical order of names.

15. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participants in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to DP. Members holdings shares in physical forms are required to submit their PAN details to STA.

16. SEBI has mandated that securities of listed companies shall be transferred only in dematerialised form from April 01, 2019, except in case of transmission and transposition of securities. In view of the same and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form and for ease in portfolio management.

17. SEBI has fixed 31st March, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode.

18. As per the provisions of Section 72 of the Act, and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, members holding shares in physical form may file nomination in the prescribed Form SH-13 with STA. In respect of shares held in dematerialize form, the nomination may be filed with the respective Depository Participants.

19. The Board of Directors has appointed Mr. Ashish Jain (Membership No. 6058 and CP No. 6124) of M/s A.K. Jain & Co. as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

20. The venue of the meeting shall be deemed to be the Registered Office of the Company.

21. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

22. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

23. Voting through electronic means:

    In compliance with the provisions of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s), clarification(s), exemption(s) or re-enactment(s) thereof for the time being in force), Regulation 44 of the Listing Regulations and SS – 2, the Company is providing to its members with the facility to cast their vote electronically ("remote e-Voting") using an electronic voting system provided by National Securities Depository Limited ("NSDL"), on all the business items set forth in the Notice of AGM and the business may be transacted through such remote e-voting. The instructions for remote e-Voting explain the process and manner for generating/receiving the password and for casting of vote(s) in a secure manner. However, the members are requested to take note of the following items:

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Friday, 24th September, 2021 at (IST) 09:00 A.M. and ends on Monday, 27th September, 2021 at (IST) 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday, 20th September, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, 20th September, 2021.

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

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

Step 1: Access to NSDL e-Voting system.

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

   In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "Login" which is available under **"IDeAS"** section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS"** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or **e-Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

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

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box..
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

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

General Guidelines for shareholders

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

or **"Physical User Reset Password?"** option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@dmltd.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@dmltd.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system.** After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request, along with the questions, from their registered e-mail id mentioning their name, DP ID and Client ID / Folio No., PAN, Mobile No. at secretarial@dmltd.in on or before 18th September, 2021. Those members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers/ questions depending on the availability of time for the AGM.

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

A. Ms. Pallavi Mhatre, Manager
E-voting Helpdesk
National Securities Depositories Limited
Email : evoting@nsdl.co.in
Phone : 1800 1020 990/1800 224 430

B. Ms. Anannya Godbole, Company Secretary
Delta Manufacturing Limited (formerly known as Delta Magnets Limited)
Corporate Office: Bayside Mall, 2nd Floor, Tardeo Road, Haji Ali, Mumbai – 400 034
Email: secretarial@dmltd.in
Phone: 022-40794700

C. Mr. Bhushan Chandratre
Freedom Registry Limited (STA)
Registered Office : Plot No. 101 / 102, 19th Street, MIDC, Satpur, Nasik - 422 007
Email : support@freedomregistry.co.in
Phone : 0253-2354032, 2363372

By Order of the Board of Directors,

ANANNYA GODBOLE
Company Secretary
ACS No: 23112

Mumbai, 12th August, 2021

Registered Office:

B-87, MIDC, Ambad,
Nashik-422 010, Maharashtra.
CIN : L32109MH1982PLC028280
Email ID : secretarial@dmltd.in
Website : www.deltamagnets.com
Tel. No. : 91-22-40794700
Fax No. : 91-22-40794777

ANNEXURE

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE FORTHCOMING AGM [PURSUANT TO REGULATION 26(4) AND 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AND SECRETARIAL STANDARD ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA]

Name of Director	Ms. Anjali Mody
DIN	02784924
Date of 1st Appointment	13th February, 2020
Age	35
Qualification	Bachelors of Fine Arts in Industrial Design from the Rhode Island School of Design (RISD).
Experience	Ms. Anjali Mody is a serial entrepreneur with a passion for design. She kindled her love for design under the incomparable guidance of Interior Guru Pinakin Patel and the Late Shri Dashrat Patel. After earning her degree in Industrial Design from RISD she honed her skills in Providence and New York before returning to Mumbai in 2010. Over the past 10 years Ms. Anjali Mody has co-founding the acclaimed creative agency Skarma in 2010 as well as a bespoke design practice- Josmo in Late 2010 where she remains Founder and Creative Director. Josmo- her current focus has been on growing her 10 year old design practice that specializes in bringing good design within reach to a larger Indian audience. Her 6000 sq ft retail store and 30,000 sq ft factory are the recent feather in her hat making her overall dream of “Good design within reach”, a beautiful reality. After 10 years of professional success including glowing features in Elle Decor, Architectural Digest and Good Homes; Caravan, as well as humbling accolades and awards from Forbes, Good Homes, Elle Décor and Acetech Alpha, Ms. Anjali Mody expanded her practice to Goa where she now resides. Throughout her career Ms. Anjali Mody has established a philosophy centered on blending necessity with imagination. Through her efforts, Ms. Anjali Mody is transforming the arena of design in India by adopting best practices, environmentally sound manufacturing and expression through design. Apart from her day job as furniture fanatic, she is an avid animal activist and provides support to animal shelters, animal rescue enthusiasts and the world of stray animals as a full time job.

Terms and conditions of re-appointment along with details of remuneration sought to be paid	Retire by rotation
Last Drawn Remuneration	₹ 4,000/- by way of sitting fee
Relationship with Other Directors, Manager and Other Key Managerial Personnel of the Company.	Daughter of Mr. Jaydev Mody
Shareholding in the Company (Individually or Jointly)	Nil
Number of Meetings of the Board Attended during the Year	02
List of Directorships in other companies	Skarma Consultancy Private Limited J M Livestock Private Limited Anjoss Trading Private Limited J M Realty Management Private Limited J M Holdings Limited (U A E) J M Holdings (USA) Inc. Qraters Boutique Private Limited
List of Committee Membership Chairmanship in other companies	Nil

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Thirty Ninth (39th) Directors' Report of your Company along with the financial statements for the Financial Year ended 31st March, 2021.

1. OPERATING RESULTS

Certain key aspects of your Company's performance during the Financial Year ended 31st March, 2021 as compared to the previous Financial Year are summarised below:

(₹ in '000)

Particulars	Standalone Year Ended		Consolidated Year Ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Income for the year	713,626.42	916,445.48	1,044,812.01	1,249,282.87
Profit before Interest, Depreciation and Tax	(3,037.65)	(14,443.08)	31,368.06	7,401.47
Finance Charges	64,385.87	61,130.95	67,594.21	61,163.63
Profit before Depreciation and Taxes	(67,423.52)	(75,574.03)	(36,226.15)	(53,762.16)
Depreciation & Amortization	50,340.57	59,607.40	57,847.18	66,472.33
Provisions for Taxation/ Deferred Tax	(30,250.00)	695.32	(26,926.33)	2,839.18
Prior Period Items / Exceptional Items	-	-	-	-
Minority Interest & Profit from Associate Company	-	-	-	-
Net Profit for the Current Year	(87,514.09)	(135,876.75)	(67,147.00)	(123,073.67)
Add: Other Comprehensive Income (OCI)	(36.42)	131.93	7,596.90	10,945.00
Total Comprehensive Income for the Year	(87,550.51)	(135,744.82)	(59,550.10)	(112,128.67)
Earlier Years Balance Brought Forward	(219,216.87)	(82,678.16)	(71,517.27)	41,909.38
Net Profit available for Appropriation	(87,550.51)	(136,538.71)	(59,550.10)	(113,426.65)
Transfer to/from General Reserves	-	-	-	-
Balance carried to Balance Sheet (including OCI)	(306,767.38)	(219,216.87)	(131,067.37)	(71,517.27)

The standalone gross revenue from operations for Financial Year 2020-21 was ₹ 713,626.42 thousand (Previous Year: ₹ 916,445.48 thousand). The operating loss before tax stood at ₹ 117,764.09 thousand as against loss of ₹ 135,181.43 thousand in the Previous Year. The net loss after tax for the year stood at ₹ 87,514.09 thousand against loss of ₹ 135,876.75 thousand reported in the Previous Year.

The consolidated gross revenue from operations for Financial Year 2020-21 was ₹ 1,044,812.01 thousand (Previous Year: ₹ 1,249,282.87 thousand). The consolidated operating loss before tax stood (for continued operations) at ₹94,073.33 thousand (Previous Year Loss: ₹120,234.49 thousand). The consolidated loss after tax stood at ₹67,147.00 thousand (Previous Year Loss: ₹ 123,073.67 thousand).

2. DIVIDEND

The Directors do not recommend any dividend for the Financial Year ended 31st March, 2021.

3. **SHARE CAPITAL**

During the year under review, there was no change in the Company's share capital. The paid up Capital of the Company is ₹ 108,511,200/- comprising of ₹ 10,851,120 Equity Shares of ₹ 10/- each.

Pursuant to the Scheme of Amalgamation between the Company, Arrow Textiles Limited (First Transferor Company or ATL) andMMG India Private Limited (Second Transferor Company or MMG) and their respective shareholders, as approved by Hon'ble National Company Law Tribunal, Mumbai bench (NCLT) vide its order dated 27th December, 2019, the Company had issued 4,380,106 Equity Shares on 03rd March, 2020 to the shareholders of ATL. Out of these the Company received listing permission for 4,295,623 Equity Shares which were held in dematerialized mode, on 27th April, 2020 and for 84,483 Equity Shares which were held in physical mode, on 11th September, 2020 from BSE Limited and National Stock Exchange of India Limited.

4. **ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 (the Act), the Annual Return as on 31st March, 2021 is available on the Company's website at https://www.deltamagnetsgroup.com/dml/downloads/Annual%20Return.pdf

5. **NUMBER OF MEETINGS OF THE BOARD**

The Board met Four (4) times in Financial Year 2020-21 viz., on 26th June, 2020, 14th August, 2020, 11th November, 2020 and 11th February, 2021.The particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of this Annual Report.

6. **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors hereby confirm that:

i. In the preparation of the annual accounts for Financial Year ended 31st March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2021 and of the loss of the Company for that period.

iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. The Directors have prepared the annual accounts for Financial Year ended 31st March, 2021 on a 'going concern' basis.

v. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and have been operating efficiently.

vi. The Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

7. **DECLARATION BY INDEPENDENT DIRECTORS**

The Independent Directors of the Company have submitted the declaration of Independence as required under Section 149(7) of the Act and Regulation 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), confirming that they meet the criteria of independence under Section 149(6) of the Act and Regulation 16 (1)(b) of Listing Regulations as amended from time to time. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

In compliance with the rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have registered themselves with the Indian Institute of Corporate Affairs.

8. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Act and Regulation 19 of Listing Regulations is appended as **Annexure I** to this Report.

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

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act, read with Companies (Meetings of Board and Its Powers) Rules, 2014 are given in the notes to the Standalone Financial Statements forming part of this Annual Report.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the Financial Year 2020-21, your Company has entered into transactions with related parties as defined under Section 2(76) of the Act, Rules made thereunder and Regulation 23 of the Listing Regulations. During the Financial Year 2020-21, the Company has not entered into transactions with related parties which qualify as material transactions as per Listing Regulations.The Form AOC - 2 pursuant to Section 134 (3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is appended as **Annexure II** to this Report.

The details of related party transactions as required under IND AS-24 are set out in notes to accounts to the Standalone Financial Statements forming part of this Annual Report.

The Policy on Related Party Transactions may be accessed on the Company's website at the link:

http://www.deltamagnetsgroup.com/dml/downloads/policies/Related-Party-Transaction-Policy.pdf.

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

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this Report.

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

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

13. BUSINESS RISK MANAGEMENT

The Board of Directors of the Company has constituted a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The business risk framework defines the risk identification and its management approach across the enterprise at various levels including documentation and reporting. The framework helps in identifying risks trend, exposure and potential impact analysis on a Company's business.

14. VIGIL MECHANISM

The Company has adopted Vigil Mechanism and Whistle Blower Policy for directors and employees in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of the Listing Regulations, to report genuine concerns and to provide for adequate safeguards against victimization of persons who may use such mechanism. During the year no personnel of the Company was denied access to the Audit Committee. The said policy is also available on the Company's website www.deltamagnets.com.

15. ANNUAL EVALUATION OF PERFORMANCE OF THE BOARD

Pursuant to the provisions of the Act and Regulation 19 of the Listing Regulations, the Board has carried out an annual evaluation of performance of the Board, its Committees and Individual Directors.

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

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

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

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

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

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

16. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

No company has become subsidiary, joint venture and associate company during the year.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Act, the Company has prepared consolidated financial statements of the Company and its subsidiaries, which form part of the Annual Report. A report on the performance and financial position of each of the subsidiary company as per the Act and Rules made thereunder, is provided as Annexure-A (AOC-1) in the financial statements and hence not repeated here for the sake of brevity.

In accordance with Section 136 of the Act, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on Company's website www.deltamagnets.com. These documents will also be available for inspection during working hours at our Registered Office of the Company.

The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link:

http://www.deltamagnetsgroup.com/dml/downloads/policies/Policy-for-Determining-Material-Subsidiaries.pdf.

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

The Company has neither accepted nor renewed any deposits during the Financial Year 2020-21 in terms of Chapter V of the Act.

18. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

19. INTERNAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has in place adequate internal financial control with reference to financial statements. The Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 33 and other applicable provisions, if any, of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015.

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

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

20. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Ms. Anjali Mody (DIN: 02784924) who was appointed as Additional Director by Board of Directors, pursuant to recommendation of Nomination and Remuneration Committee, with effect from 13th February, 2020 was appointed as Non-Executive Non- Independent director at Annual General Meeting held on 28th September, 2020.

In accordance with the provisions of the Section 152(6)(e) of the Act, Ms. Anjali Mody (DIN: 02784924), will retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

21. AUDITORS

1. Statutory Auditor

M/s. M.H.S & Associates, Chartered Accountants (Firm Registration No: 141079W) was appointed as Statutory Auditors of the Company at 36th Annual General Meeting till the conclusion of 41st Annual General Meeting.

Your Company has received a confirmation from M/s. M.H.S & Associates, Chartered Accountants (Firm Registration No: 141079W) to the effect that they are not disqualified within the meaning of Section 141 and other applicable provisions of the Act and Rules made thereunder.

There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditors of the Company.

2. **Secretarial Auditor**

   Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company have appointed M/s. A. K. Jain & Co., Company Secretaries to undertake the Secretarial Audit of the Company for the year ended 31st March, 2021. The Secretarial Audit Report is appended as **Annexure IV** to this Report.

   There are no qualifications, reservations or adverse remarks or disclaimers made by Secretarial Auditor of the Company.

22. COST RECORDS AND COST AUDIT

Maintenance of cost records and Cost Audit as specified by the Central Government under Section 148(1) of the Act is not required by the Company.

23. REPORTING OF FRAUDS

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

24. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per Regulation 34(2) read with Schedule V of the Listing Regulations, Management and Discussion and Analysis Report is provided in a separate section and forms an integral part of this Annual Report.

25. CORPORATE GOVERNANCE

As per Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section on corporate governance practices followed by the Company, together with a certificate from the practicing Company Secretary confirming compliance with the conditions of Corporate Governance forms an integral part of this Annual Report.

26. AUDIT COMMITTEE OF THE COMPANY

The Audit Committee of the Company comprises of the following Directors:

1. Mr. Rajesh Jaggi (Chairman);
2. Mr. Javed Tapia;
3. Dr. Ram H. Shroff and
4. Dr. Vrajesh Udani

The composition of the Audit Committee is in compliance with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

27. PARTICULARS OF EMPLOYEES

Details of top ten employees in terms of the remuneration and employees in receipt of remuneration as required under the provisions of section 197(12) of the Act, read with rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, which form part of the Directors' Report, will be made available to any shareholder on request, as per provisions of section 136 of the said Act. Members who are interested in obtaining these particulars may write email to the Company Secretary on secretarial@dmltd.in.

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

28. COMPLIANCE OF THE SECRETARIAL STANDARDS

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

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

The Company has complied with the provisions relating to constitution of Internal Complaints Committee and has Anti-Sexual Harassment policy pursuant to the provisions of The Sexual Harassment of Woman at Workplace (Prevention, Prohibition & Redressal) Act 2013. The Company did not receive any such complaints during the Financial Year 2020-21.

30. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.

There are no applications made or any proceeding pending against the Company under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the Financial Year.

31. ACKNOWLEDGEMENTS

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

The Company has considered internal and external sources of information, economic forecasts and industry reports, up to the date of approval of the financial statements, in determining the impact of COVID 19 pandemic on various elements of its business operations and financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Company expects to recover the carrying amount of its current and non-current assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements depending on how long the pandemic lasts and time period taken for the economic activities to return to normalcy.

For and on behalf of the Board of Directors

Jaydev Mody
Chairman
DIN: 00234797

Place: Mumbai
Date: 12th August, 2021

ANNEXURE I

NOMINATION AND REMUNERATION POLICY

This Policy shall come into effect from 01st April, 2019

1. **OBJECTIVE**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) The Key Objectives of the Committee would be:

1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

1.6. To devise a policy on Board diversity

1.7. To develop a succession plan for the Board and to regularly review the plan;

1.8. To formulate detailed ESOS Plan and the terms and conditions thereof including but not limited to determination of the Exercise Price, Exercise Period, Lock – in period, consequence of failure to exercise option, method of valuation, accounting policies, disclosures, etc and matters related thereto.

2. **DEFINITIONS**

2.1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

2.2. **Board** means Board of Directors of the Company.

2.3. **Directors** mean Directors of the Company.

2.4. **Key Managerial Personnel** means

2.4.1. Managing Director;

2.4.2. Whole-time director;

2.4.3. Chief Financial Officer;

2.4.4. Company Secretary; and

2.4.5. such other officer as may be prescribed under the Companies Act,2013 as amended from time to time .

2.5. **Senior Management shall** means officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.]

3. ROLE OF COMMITTEE

3.1 The Committee shall:

3.1.1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

3.1.2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;

3.1.3. Devising a policy on diversity of board of directors;

3.1.4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

3.1.5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

3.1.6. Recommend to the Board, appointment Remuneration and removal of Director, KMP and Senior Management Personnel.

3.1.7 formulate detailed ESOS Plan and the terms and conditions thereof including but not limited to determination of the Exercise Price, Exercise Period, Lock – in period, consequence of failure to exercise option, method of valuation, accounting policies, disclosures, etc and matters related thereto or such other role as may be defined by the Board of Directors.

3.2. Policy for appointment and removal of Director, KMP and Senior Management

3.2.1. Appointment criteria and qualifications

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.2.2. Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. *However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.*
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3.2.3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

3.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3. Policy relating to the Remuneration for the Managing Director or Whole-time Director, KMP and Senior Management Personnel

3.3.1. General:

a) The remuneration / compensation / commission etc. to the Managing Director or Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b) The remuneration and commission to be paid to the Managing Director or Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act and in line with the Company's policy.

c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director or Whole-time Director.

d) Where any insurance is taken by the Company on behalf of its Managing Director or Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

3.3.2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

a) Fixed pay:

The Managing Director or Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any Financial Year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director or Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Managing Director or Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3.3.3. Remuneration to Non- Executive / Independent Director:

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and/or the Act.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

d) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

4. MEMBERSHIP

4.1 The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.

4.2 The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

4.3 Membership of the Committee shall be disclosed in the Annual Report.

4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

5. CHAIRPERSON

5.1 Chairperson of the Committee shall be an Independent Director.

5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at least once in a year.

7. COMMITTEE MEMBERS' INTERESTS

7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

8. SECRETARY

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

9. VOTING

9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

10.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;

10.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;

10.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.

10.4 Determining the appropriate size, diversity and composition of the Board;

10.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

10.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

10.7 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

10.8 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

10.9 Delegating any of its powers to one or more of its members or the Secretary of the Committee;

10.10 Recommend any necessary changes to the Board; and

10.11 Considering any other matters, as may be requested by the Board.

11. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

11.1 to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

11.2 to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

11.3 to delegate any of its powers to one or more of its members or the Secretary of the Committee.

11.4 to consider any other matters as may be requested by the Board.

11.5 Professional indemnity and liability insurance for Directors and senior management.

12. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairperson of the Committee or by the Chairperson of the the subsequent Committee meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

For and on behalf of the Board of Directors

Jaydev Mody
Chairman
DIN: 00234797

Place: Mumbai
Date: : 12th August, 2021

ANNEXURE II

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Account) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Act including certain arms length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis.**

Name(s) of Related Party and nature of relationship	NIL
Nature of contracts/arrangements/transactions	
Duration of the contracts/arrangements/ transactions	
Salient terms of the contracts or arrangements or transactions including the value, if any.	
Justification for entering into such contracts or arrangements or transaction	
date(s) of approval by the Board.	
Amount paid as advances, if any.	
Date on which the special resolution was passed in the general meeting as required under first proviso to section 188.	

2. **Details of the material contracts or arrangements or transactions at arm's length basis**

Name(s) of Related Party and nature of relationship	NA
Nature of contracts/arrangements/transactions	
Duration of the contracts/arrangements/ transactions	
Salient terms of the contracts or arrangements or transactions including the value, if any.	
date(s) of approval by the Board.	
Amount paid as advances, if any.	

For and on behalf of the Board of Directors

Jaydev Mody
Chairman
DIN: 00234797

Place: Mumbai
Date: : 12th August, 2021

ANNEXURE III

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014

(₹ in '000)

A. Conservation of Energy

(i) Steps taken or impact on conservation of energy

The Company continues its policy of giving priority to energy conservation measures including regular review of energy generation and consumption and effective control on utilization of energy. The following energy conservation methods were implemented during the year:

a) Use of energy efficient equipments.
b) Intensified Internal Audit aimed at detecting wastage of electricity.
c) Campaign based synchronisation of utilities with plant operations.
d) Minimum utilisation of electricity in Pick hour.
e) The Company has installed LED street light fitting in place of regular Fluorescent fittings.

The impact of above energy conservation measures is that it has resulted in improvement of power factor, consequential tariff benefits.

(ii) Steps taken by the company for utilizing alternate sources of energy: Nil

(iii) Capital investment on energy conservation equipments: Nil

B. Technology Absorption

(i) Efforts made towards technology absorption

The technology developments were validated and implemented

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution.

(a) New products developed to the specific requirements of customers
(b) Development of starter motor grade magnets
(c) Flexibility in usages of raw materials
(d) Achieved higher productivity

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year) –

(a) the details of technology imported	:	Nil
(b) the year of import	:	Nil
(c) whether the technology been fully absorbed	:	Nil
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	:	NA

(iv) The expenditure incurred on Research and Development.

(a) Capital Nature	:	Nil
(b) Revenue Nature	:	₹ 440.49

Foreign Exchange Earnings and Outgo

During the year, the foreign exchange outgo was ₹ 116,406.40 ('000) (Last Year ₹ 158,742.69 ('000) the foreign exchange earned was ₹ 31,412.26 ('000) (Last Year ₹ 33,775.59 ('000)

For and on behalf of the Board of Directors

Jaydev Mody
Chairman
DIN: 00234797

Place: Mumbai
Date: 12th August, 2021

ANNEXURE IV

Form No. MR-3
SECRETARIAL AUDIT REPORT
For The Financial Year Ended on 31st March, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Delta Manufacturing Limited
(Formerly known as Delta Magnets Limited)
B-87, MIDC, Ambad
Nashik – 422010

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Delta Manufacturing Limited (formerly known as Delta Magnets Limited) (CIN: L32109MH1982PLC028280) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined electronically the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not Applicable to the Company during the Audit Period);**

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable to the Company during the Audit Period);**

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period);**

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);**

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period);** and

i. The Securities and Exchange Board of India (Listing obligations and Disclosures Requirements) Regulations, 2015.

(vi) The management has confirmed that there is/ are no sector specific laws applicable to the Company during the Audit Period.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors of the Company during the period under the review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors were carried through on the basis of majority/ unanimously. There were no dissenting views by any member of the Board of Directors during the period under review.

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

We further report that during the audit period, there were no other events having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For A.K. Jain & Co.
Company Secretaries

Ashish Kumar Jain
Proprietor
FCS: 6058. CP: 6124
UDIN: F006058C000774199

Place: Mumbai
Date:12th August, 2021

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

ANNEXURE A

To
The Members
Delta Manufacturing Limited
(Formerly known as Delta Magnets Limited)
B-87, MIDC, Ambad
Nashik – 422010

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

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

For A. K. Jain & Co.
Company Secretaries

Ashish Kumar Jain
Proprietor
FCS: 6058. CP: 6124
UDIN: F006058C000774199

Place: Mumbai
Date: 12th August, 2021

ANNEXURE V

Disclosures pursuant to Section 197(12) of the Act and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2020-21

Sr. No	Name of Director	Remuneration of Director / KMP for Financial Year 2020-21 (₹ In '000)	Ratio of remuneration of each Director / KMP to median remuneration of employees
	Non-Executive Directors		
1	Mr. Jaydev Mody	6	0.02
2	Ms. Anjali Mody	4	0.01
3	Mr. Darius Khambatta	8	0.03
4	Mr. Javed Tapia	14	0.04
5	Mr. Rajesh Jaggi	16	0.05
6	Dr. Vrajesh Udani	12	0.04
	Executive Directors		
7	Dr. Ram H. Shroff	7,818.59	24.54

ii. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2020-21

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for Financial Year 2020-21 (₹ In '000)	% of increase in Remuneration in the Financial Year 2020-21
1	Mr. Jaydev Mody	6	50%
2	Ms. Anjali Mody	4	0%
3	Mr. Darius Khambatta	8	0%
4	Mr. Javed Tapia	14	0%
5	Mr. Rajesh Jaggi	16	0%
7	Dr. Vrajesh Udani	12	0%
9	Dr. Ram H. Shroff (Managing Director)	7,818.59	0%
10	Mr. Abhilash Sunny (Chief Financial Officer)	3,739.39	0%
11	Ms. Anannya Godbole (Company Secretary)	382.97	0%

iii. The percentage increase in median remuneration of employee in the Financial Year 2020-21

Median remuneration of each employee decreased by 5% in Financial Year 2020-21.

iv. The number of permanent employees on the rolls of Company as on 31st March, 2021

418

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if thereof and point out if there are any exceptional circumstances for increase in the managerial Remuneration.

Given the pandemic, the operations of the organization having come to a standstill, there were no increments in salaries. In fact salaries of employees were reduced in order to tide over the crisis.

vi. Affirmation that the remuneration is as per the remuneration policy of the Company

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

For and on behalf of the Board of Directors

Jaydev Mody
Chairman
DIN: 00234797

Place: Mumbai
Date: 12th August, 2021

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Economic And Industry Overview

1. Economy Review

1.1 Global Economy

The global economy contracted by 3.3% in CY 2020, as all major economies barring China slipped into recession with COVID-induced lockdowns. Advanced Economies' (AE) decline of 4.7% was steeper than Emerging Markets (EM) decline of 2.2%. Within the AE complex, the decline in Euro Area (-6.6%) was much sharper than that in the US (-3.5%). Within the EMs, China's GDP grew 2.3%. Despite the steep global decline in CY 2020, global GDP decline was lower than initially feared primarily due to unprecedented monetary policy support from global central banks and fiscal stimulus from governments. Global fiscal stimulus reached ~US$18.6 trillion by March 2021 (23% of GDP) while monetary stimulus by global central banks reached US$16.6 trillion (21% of GDP).

Global trade volume (goods and services) contracted by 9.6% in CY 2020 after a modest 1% increase in CY 2019. Global trade also started recovering in 4Q FY 2021 as merchandise trade volume turned positive on y-o-y basis from November 2020. Global trade is forecast to grow 8% in CY 2021 with merchandise volumes recovering faster than services volumes.

Outlook

The global economy is expected to see a rebound in 2021 with the International Monetary Fund (IMF) expecting 6% growth, with US stimulus and vaccine optimism leading to further opening up of the economies. The growth recovery is likely to be led by the US and China – the US is estimated to grow 6.4% in 2021 and China by 8.4%. Governments and Central Banks are expected to maintain supportive policies until the recovery is firmly underway. The strength of recovery will depend on vaccine roll-out.

1.2 Indian Economy

In India, the COVID crisis has been unprecedented and number of lives and livelihoods were lost. The full nationwide lockdown from 25th March,2020 right upto 31st May,2020 ,GDP growth crashed by record 24.4% in Apr-Jun, Jul-Sep also posted a negative growth of 7.3%,things were better in Oct-Dec with tiny 0.4% growth,There was a strong hope of recovery in the last quarter of the current fiscal. However, the coronavirus pandemic made this recovery extremely difficult in the near- to medium-term. The GDP growth for FY2021 touched -7.3% vis-à-vis 4.2% in FY2020. (Source:Central statistical office,CSO)

The Government of India and the Reserve Bank of India (RBI) have acted swiftly to help offset the pandemic-induced disruptions & support lives and livelihoods. Supportive monetary measures such as reduction of policy repo rates, lowered reserve requirements for auto loans, lending to MSMEs and allowing banks some flexibility as well as delaying classification of commercial real estate loans, have provided the much-needed relief to these sectors.

Annual GDP growth rate (%)

2017-18	2018-19	2019-20	2020-21
6.6	6.1	4.2	-8.0

Source: Central Statistics Office (CSO)

Outlook

With multiple vaccines approved and large vaccine production capacity in India, real challenge would be access of vaccines to the vast population of India, with keeping all the safety protocols in place until the pandemic is controlled.

Apart from the increase in vaccinations, policy help from government and monetary measures from RBI, rising demand and economic activity will help get the growth back on track with only concern being evolving COVID-19 scenario.

2. Industry Review

2.1 Auto Industry

Major share of our business is directly related to our customers' vehicle sales and production levels across various segments. Automotive sales and production are highly cyclical and depend on general economic conditions and other factors, including consumer spending and preferences, as well as changes in interest rate levels, consumer confidence and fuel costs.

There was a steep drop in demand in April and May, as nationwide lockdown was in full effect, demand has picked up considerably from July,20 as lockdowns were eased.

Strong pickup in demand was seen in last quarter due to safety concerns of new buyers of avoiding public transport, good rural sentiment with good monsoon, credit availability via banks and NBFCs, however threat of new waves of infections and lockdowns could slowdown the demand momentum.

Favourable policies from government, rising fuel costs, climate concerns will help push the **electric vehicle** adoption further. Opportunities lie in automobile power electronics in charging infrastructure and on board electronic components, motors.

Performance

The industry produced a total of 22.65 million vehicles including passenger vehicles, commercial vehicles, three-wheelers, two-wheelers and quadricycles in FY 21, as against 26.36 million units in FY 20, a decline of 14%.

Scooter industry declined by 20% and motorcycle industry by 11%. Source:SIAM

2.2 Eelctronic Industry

Domestic Appliances Industry Overview

The industry is expected to see significant growth in the coming years as the consumer market continues to expand due to rising disposable incomes, coupled with enhanced purchasing power. The burgeoning middle class in urban areas and the aspirational demands of rural India will be a major impetus for the industry in the near future. The rural areas continue to witness infrastructural developments, enjoy access to electricity and internet connections. Thereby, E-commerce is expected to be a popular medium for accessing products that add convenience to life.

Consumer Lighting Industry Overview

The Consumer Lighting Industry witnessed a demand surge in recent years due to growing population and rapid urbanisation. LED lighting is gaining traction in the Indian lighting market. The Government of

India is also promoting the use of efficient lighting, spreading awareness about its role in reducing energy consumption and its contribution to reduce carbon footprints.

Government of India has announced PLI schemes and other policies to further bolster growth in electronics industry.

2.3 Indian Textiles and Apparels (T&A) Industry,

Indian Textiles and Apparels (T&A) industry, accounts for approximately 4% of the global T&A market. The T&A industry is one of the largest and the most important sectors for the Indian economy in terms of output, foreign exchange earnings and employment. The industry contributes approximately 7% to industrial output in value terms, 2% to the GDP and 15% to the country's export earnings. Exports and domestic consumption are both expected to be sluggish in the near term due to the impact of COVID-19.

Indian Apparel Market

Indian Fashion Retail which is currently estimated at INR 3,61,160 crore (USD 54 billion) will grow at a promising CAGR of 8.1% for next ten years to reach INR 7,88,532 crore (USD 118 billion) by 2028.

Indian Apparel industry comprises of menswear 41.7%, womenswear 35.5%, kids wear 20.8% (Source: Images Business of Fashion)

Innerwear Market Size & Growth

Among all the fashion categories, innerwear has emerged as one of the fastest growing categories over the last few decades. A commodity which was earlier depicted as a mere essential has in the last few years transformed itself into a fashion statement. Domestic demand of innerwear has changed with consumer buying behavior, transforming from need based to aspiration based, coupled with increased fashion consciousness among millennials.

The Indian innerwear market currently estimated to be worth INR.32,000 crore accounts for ~9 percent of the total domestic fashion retail market.

The Indian innerwear market is primarily dominated by women's innerwear, which accounts for 64 percent of the total innerwear market and accounts for 16 percent of the total women apparel market.

The men's innerwear market is currently valued at INR.11,000 crore and is expected to grow at a CAGR of 7 percent over the next decade to reach INR.21,800 crore by 2028. It contributes 7 percent of the total men's apparel market.

Athleisure Market

Athleisure, a phenomenon in world fashion has in the last few years become the most dynamic and fast-growing segments in the Indian apparel market. Owing to its versatility, fit and soft comfortable knit fabrics, Athleisure as a range of apparel has been embraced and used by a wide consumer segment. The advancement in fabrics, materials and functionality in design has extended this category beyond fitness to include urban street styling. In recent times, celebrity frenzy on social media sporting the athleisure look in gyms and airports has helped increase the awareness and popularity of this category.

India's athleisure market is growing at 18-20%currently and is expected to touch INR.54,000 crore,or roughly $8 billion, by 2020.

Source: Images Business of Fashion

Kids wear

The kids wear market in India is estimated at INR.81,900 crores and expected to grow at a CAGR of 8.5% in the next five years. With a booming kids population in India and owing to distinct factors like the growing trend of nuclear family system, increased spending on children, greater brand awareness among kids, and better focus on this segment by organized players, the kids wear industry is poised to grow in the coming years. Albeit largely unorganized today, this segment is closely following suit the men's and women's segment to become the next organized sector in apparel in India.

Home Textiles

Home textiles segment has become one of the most attractive segments in the textiles industry in the recent past.

It has also emerged as one of the most fashion-sensitive segments in the textiles industry. India is globally recognised for its extensive variety, exquisite designs in home textiles and furnishing fabrics. The country is on the verge of a big boom in the affordable housing sector and there is a fair share of growth in employment opportunities, especially in the services sector. Thus, leading to high disposable income in the hands of young consumers. A combined result of these factors has seen the demand for home textile products growing by a healthy 30-40% per annum.

The market for home textiles and furnishing fabrics in India is extremely wide and varied in terms of prices, designs and colours. While the affluent consumers prefer refined international taste in terms of quality and design, with price no constraint, the mid and economy-segment consumers offer huge volumes for reasonably priced products. With the growing awareness towards sustainability, safety, hygiene and functionality, the demand for better quality home textiles with features like stain-resistance, flame retardant and fragrance, among others is increasing.

Growth Drivers of textile industry

- Abundance of raw material
- Presence of entire value chains
- Competitive manufacturing costs
- Availability of skilled manpower
- Large and growing domestic market
- Rising per capita income, higher disposable incomes and preferences for brands
- Organized retail landscape & e-Commerce
- Under Union Budget 2020-21, a National Technical Textiles Mission is proposed for a period from 2020-21 to 2023-24 at an estimated outlay of INR.1,480 crore (US$ 211.76 million).

(Source: Invest India, National investment Promotion & Facilitation Agency)

Outlook

Considering the COVID-19 outbreak and resultant lockdown, which intensified the issues faced by the economy on account of slowdown, the outlook in the near- to mid-term period remains unclear.

In the first half of FY21, consumer sentiments and demand are expected to remain muted.

Demand recovery can only be expected around the festive season in the third quarter of the year. Prospects for China, having reopened earlier than most other economies hit by the pandemic, are looking more positive in the initial months post opening up. In the medium-term, the global automotive industry appears to be poised for a rebound as manufacturers replenish dealer inventories and meet pent-up demand, especially with many consumers expected to return back.

3. Company Overview

Delta Manufacturing Limited (DML) is one of the oldest business house in India , incorporated in 1982.

In a world of unprecedented technological disruption and end market volatility, our direction for growth has always revolved around transformation, technology, innovation and the need to generate new value – to unlock new opportunities, drive growth and deliver new efficiencies. The aim is to create an effective business transformation from the traditional products to a wide range of newly developed technologically advanced components and sub-systems. We intend to integrate and align our new strategic businesses with the existing business, to differentiate and stay ahead in the industry, even as we pursue new innovation-driven opportunities that emerge, as well as respond to shifting market demands. We strive to separate ourselves from competitors and establish a platform for future growth.

We have two primary business lines:

(i) The manufacture and supply of magnets to tier 1 suppliers of all the two wheeler, three wheeler, passenger vehicles, electronic components and aerospace OEM sin India and worldwide, which we undertake through our magnet division.

(ii) The design, manufacture and supply of a wide range of garment trims in India i.e, woven labels, heat transfers, fabric printed labels, elastic & non-elastic tapes primarily to major garment / textile companies in India.

We have 3 operating manufacturing cum R&D facilities in India, 1 assembly and distribution facility in United Kingdom.

3.1 Highlights and Progress

Our focus on technology-enabled capability development has played a key role in driving growth and enhance stakeholders value. We continuously focus on building capabilities by establishing ourselves in new locations for manufacturing as well as R&D, focusing on select value-accretive acquisitions and expanding our customer base. During the year, many such initiatives were undertaken, which are summarised as follows:

Merger:

We have successfully completed the merger of MMG India Pvt Ltd and Arrow Textiles Ltd with Delta Mangets Ltd. Subsequently the name of the company has been changed from Delta Magnets Ltd to Delta Manufacturing Ltd.

New product developments:

During the year we have introduced new product lines in garment trim segment and magnets which has helped us to acquire new customers.

New certifications:

We have received new certifications in textile business i.e. TQP, Global Organic Textile Standard,Sedex, HIGG which will improve our market positioning and entry to global garment companies.

3.2 Financial & Operational Performance

(₹ in '000)

Particulars	Standalone Year Ended		Consolidated Year Ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Income for the year	713,626	916,445	1,044,812	1,249,283
Profit before Interest, Depreciation and Tax	(3,038)	(14,443)	31,368	7,402
Finance Charges	64,386	61,131	67,594	61,164
Profit before Depreciation and Taxes	(67,424)	(75,574)	(36,226)	(53,762)
Depreciation & Amortization	50,341	59,607	57,847	66,472
Provisions for Taxation/ Deferred Tax	(30,250)	695	(26,926)	2,839
Net Profit for the Current Year	(87,514)	(135,877)	(67,147)	(123,074)
Add: Other Comprehensive Income (OCI)	(36)	132	7,597	10,945
Total Comprehensive Income for the Year	(87,551)	(135,745)	(59,550)	(112,129)

Key Financial Ratios

Particulars	31.03.2021	31.03.2020	YoY Change (%)
EBIDTA Margin	-0.43%	-1.58%	-72.99%
EBIT (Operating) Margin	-7.48%	-8.08%	-7.43%
PBT Margin	-16.50%	-14.75%	11.87%
PAT Margin	-12.26%	-14.83%	-17.29%
Debtors Turnover	2.71	3.58	-24.28%
Inventory Turnover	4.43	2.14	107.17%
Interest Coverage Ratio	-0.83	-1.21	-31.56%
Current Ratio	0.61	0.76	-19.16%
Debt Equity Ratio	4.72	3.03	55.93%
Return on Net Worth	-45.55%	-48.52%	-6.12%

The Financial Performance of our Company has been affected by the slowdown in the domestic and global markets owing to the pandemic, margins have been under pressure due to the liquidity crunch in the unorganized sector, who are affected during this fiscal because of higher compliance cost, eroding market share and limited ability to pass on the increase in raw material prices.

We are in the process of restructuring the customer & product portfolio with a single objective of growing the business. We believe this will enable us to achieve our long-term objectives.

4. Opportunities & Threat

4.1. Opportunities

- Growth in organized retail providing a larger opportunity for established and credibile companies
- Increase in consumption with factors like education, occupation, urbanization, nuclear families and disposable incomes moving in a positive direction
- Increase in young working group, fashion and brand consciousness making consumers more aspirational and discerning
- Widespread distribution and retailer network in rural and urban areas driving the brands closer to consumers at a time when commuting for shopping is limited
- With the lockdown and current geo political issues customers prefer local sources for their requirement
- With the lockdowns and fear of Covid19, the demand for own vehicles and home wear is expected to see a boost
- Many major international companies have commenced operations in India realizing that the Indian market is likely to emerge as one of the largest markets in the world in the next few decades

4.2 Threat

- The overall closure of offices, schools, markets, malls and highstreets due to lockdown is expected to affect demand.
- Consumers may tend to be cautious in their purchase decisions and this may affect overall demand.
- Certain product categories may see a drop in demand if lockdowns continue.

5. Risks And Concerns

Risk is an inherent part of any business. There are various types of risks that threaten the existence of a company like Strategic Risk, Business Risk, Finance Risk, Environment Risk, Personnel Risk, Operational Risk, Reputation Risk, Regulatory Risk, Technology Risk, Political Risk, etc. Your company aims at enhancing and maximizing shareholders value by achieving appropriate trade-off between risk & returns.

6. Internal Control System And Adequacy

The Company is committed to maintaining adequate internal control systems as a part of efficient corporate governance. The system ensures that all transactions are authorised, recorded and reported correctly to safeguard assets and protect them from any loss due to unauthorized use or disposition. The operating managers make sure that all operations within their area are compliant and safeguarded against all risks whereas on the other, auditors carry out random audits to detect flaws in the system, which makes it effective and efficient. Internal audit reports are prepared to create awareness and to take corrective actions on the respective units or areas, which need rectification. These reports are then reviewed by the management team and the Audit Committee for follow-up action.

7. Human Resources And Industrial Relations

The man and machine combination is balanced optimally, as the Company believes that Human Resource is one of the most vital resources and a key pillar in providing the Organization a competitive edge in current business environment. A motivated and efficient workforce can help it attain its target in a realistic manner. Taking cognizance of that fact, the Company provides extensive training to its employees in order to develop their skill sets and keep them motivated. The Company appreciates the productive co-operation extended by its employees in the efforts of the management to carry the Company to greater heights.

As on 31st March, 2021, the Company had employee strength of 418 on its payroll.

8. Cautionary Statement

The statements made above may be construed as forward looking statements within the meaning of the applicable laws and regulations. Actual performance of the Company may vary substantially depending upon the business structure and model from time to time. Important external and internal factors may force a downtrend in the operations of the Company.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company fully subscribes to the principles and spirit of Corporate Governance. Corporate Governance is an ethically driven business process that is committed to values and conduct aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting the business with a firm commitment to values, while meeting stakeholders' expectations. Good governance practices stem from the culture and mindset of the organisation and at the Company we are committed to meet the aspirations of all our stakeholders and believes in adopting best corporate practices for ethical conduct of business. It is well recognized that an effective Board of Directors is a pre-requisite for strong and effective Corporate Governance. Our Board and Committees therefore are formed as per requirement of Companies Act, 2013 ("the Act")and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") which oversees how the management serves and protects the long-term interests of all our stakeholders.

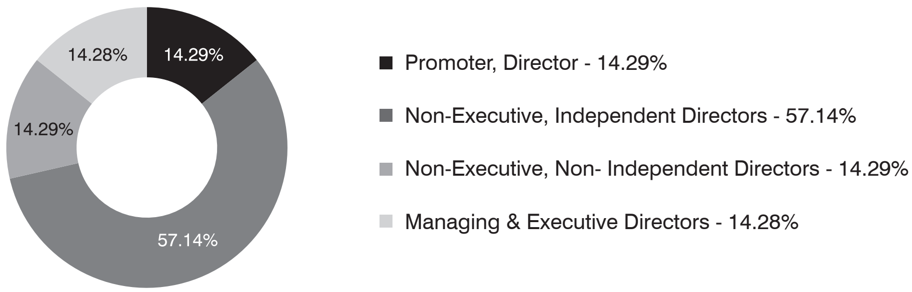
A report on compliance with the principles of Corporate Governance as on 31st March, 2021 as prescribed by the Securities and Exchange Board of India (SEBI) and Schedule V of the Listing Regulations is given below:

BOARD OF DIRECTORS

A. Composition of the Board

As on 31st March, 2021, in compliance of Regulation 17 of Listing Regulations, the Board has an optimum combination of Executive, Non-Executive and Independent Directors. The Board has Seven (7) Directors and the composition of which is as provided hereunder:

% of total strength of the Board



Category	Name of Directors	No. of Directors	% of total strength of the Board
Promoter, Non -Executive Director	1. Mr. Jaydev Mody	1	14.29
Non- Executive, Independent Directors	1. Mr. Javed Tapia 2. Mr. Rajesh Jaggi 3. Dr. Vrajesh Udani 4. Mr. Darius Khambatta	4	57.14
Non- Executive, Non- Independent Directors	1. Ms. Anjali Mody	1	14.29
Managing & Executive Directors	1. Dr. Ram H. Shroff	1	14.28

The composition of the Board represents an optimal mix of professionalism, knowledge and experience which enables the Board to discharge its responsibilities and provide effective leadership to the business.

All Independent Directors of the Company have been appointed as per the provisions of the Act, Rules made therein and Listing Regulations. The terms and conditions of their appointment are disclosed on the Company's website.

The Board has constituted various Committees with an optimum representation of its members and has assigned them specific terms of reference in accordance with the provisions of the Act and the Listing Regulations. These Committees meet at such frequency as is deemed necessary, to effectively under take and deliver upon the responsibilities and tasks assigned to them.The Company currently has Six(6) Committees of the Board viz., (i) Audit Committee (ii) Stakeholders' Relationship Committee (iii) Nomination and Remuneration Committee (iv) Investment, Borrowing and General Purpose Committee (v) Allotment Committee (vi) Risk Management Committee.

None of the Directors on the Board is a member of more than Ten (10) Committees and Chairman of more than Five (5) Committees (Committees includes Audit Committee and Stakeholders Relationship Committee as per Regulation 26 of the Listing Regulations), across all the listed companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been disclosed by all the Directors. None of the Independent Directors serve as an Independent Director in more than Seven (7) listed entities and also the Managing Director of the Company does not serve as Independent Director in more than Three (3) listed entities.

None of the Directors hold office in more than Twenty (20) companies and in more than Ten (10) public companies as prescribed under Section 165 of the Act. The Board confirms that the Independent Directors fulfill the conditions specified in Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and are Independent of the management.

None of the Directors of the Company are inter-se related to each other except Ms. Anjali Mody who is the daughter of Mr. Jaydev Mody.

The brief profile of your Company's Board of Directors is as under:

Mr. Jaydev Mody

Mr. Jaydev Mody has been creating, developing and managing businesses for more than 40 years, spending over 25 of them in real estate development. He played a pivotal role in building and developing India's first global mall 'Crossroads' in South Mumbai. A Humanities graduate from Mumbai University, Mr. Mody has been instrumental in the development of several large residential and commercial complexes and retail destinations in and around Mumbai. Some of them are Peninsula Corporate Park, Ashok Towers, Ashok Gardens and Peninsula IT Park, which are all established Mumbai landmarks today. He is a first generation entrepreneur and has interest in various businesses, including gaming and hospitality, textiles and magnet manufacturing. His keen eye and out-of-the-box thinking has helped him identify lucrative business opportunities and he has pioneered several first-of-its kind ventures.

Dr. Ram H. Shroff

Dr. Ram H. Shroff is a qualified medical doctor. Dr. Shroff has an experience of more than 17 years in Charak Pharma where he is a Director. Charak is one of the leading Herbal and Ayurvedic Company in India. Through his initiatives the Company has grown its market share substantially and has introduced several new products which have helped bring a new dimension in medical treatment of patients. Dr. Shroff has also initiated Charak Pharma's international presence. Charak is now available in more than 45 countries around the world. In addition, Dr. Shroff has participated in several local and international medical conferences impressing the need of alternative medicines for the treatment of patients.

Dr. Shroff is the Managing Director of Delta Manufacturing Limited (formerly Delta Magnets Limited) (DML) since 2012, he has been instrumental in the turn around of the company. Dr. Shroff has streamlined the operation of the company by consolidating its resources like spearheading expansion of soft ferrite facility from 7 MT per month to 70 MT p.m., improving hard ferrite production from 70 MT p.m to 125 MT p.m. with incremental investment etc. His customer oriented approach coupled with his zeal for innovation has enabled the company to win many new customers and gain foot print in the industry. Under his leadership the Company caters to varied industries ranging from Automobiles, Railways and Telecommunication amongst others. Today DML is one of the leading players in the Industry and poised to grow further.

Mr. Rajesh Jaggi

Mr. Rajesh Jaggi is the Vice Chairman, Real Estate at The Everstone Group-a premier investment group focused on India and South East Asia, with assets in excess of US$ 6 billion across private equity, real estate, green infrastructure and venture capital. Mr. Jaggi joined Everstone in 2012 and is responsible for all real estate investments and operations of the group. Mr. Jaggi has over 25 years of real estate leadership experience in India, including strategic planning, acquisitions, finance, sales and marketing, legal, and project and facility management services. Mr. Jaggi is involved in all facets of the firm's real estate investments and operations.

Under his leadership, Everstone Group's industrial real estate business IndoSpace has become a leading developer, builder and manager of light industrial and warehousing parks.

It is the largest operational pan-India developer of modern industrial real estate with a portfolio of around 43 million square feet across 41 logistics and industrial parks. These facilities are in around nine major industrial Corridors / consumption hubs the Delhi NCR, Mumbai, Pune, Bengaluru, Chennai, Ahmedabad, Coimbatore, Anantapur, Rajpura and well connected through rail, road, air, and sea. IndoSpace formed a strategic long-term partnership with GLP, the leading global provider of modern logistics facilities and technology-led solutions in 2018. Through this partnership, GLP has become an investor in IndoSpace Core, a joint venture established in 2017 by IndoSpace and Canada Pension Plan Investment Board (CPPIB) that is focussed on acquiring and developing modern logistics facilities in India. CPPIB initially committed approximately US$ 500 million to IndoSpace Core. Prior to joining Everstone, Mr. Jaggi was the Managing Director of Peninsula Land Limited, a US$ 400 million market capitalisation listed real estate company, where he led the successful commissioning of projects that totalled 28 million square feet of real estate across residential, commercial and retail space. An alumnus of F.W. Olin Graduate School of Business at Babson College, Boston, and a graduate from the University of Mumbai, Mr. Jaggi was featured as one of India's Hottest Young Executives by Business Today magazine (February 8, 2009 issue) – recognition for his contribution in leading Peninsula from a local Mumbai-based developer to a notable national player.

Mr. Darius Khambatta

Mr. Darius Khambatta is a Chartered Accountant with over 32 years' experience. Mr. Khambatta was working with Delta Corp Limited as a Vice President (Projects) looking after the real estate developments upto September, 2015. Currently he is working with National Centre for Performing Arts as Advisor-Project.

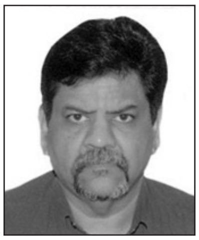
Mr. Javed Tapia

Mr. Javed Tapia is an entrepreneur responsible for the growth of several companies under the umbrella brand "Clover". Having started his career with the flagship brand 'Clover Realty' - Mr. Tapia has established a strong presence for the Clover Group in areas such as Information Technology, digital payments, and renewable energy. In the year 2000, he spearheaded the open-source revolution in India through a joint venture – Red Hat India with Red Hat Inc. and expanded the company's footprint across South Asia.

Mr. Tapia is currently the Chairman and Chief Mentor of Clover Infotech Pvt. Ltd., a leading IT services and solutions provider that digitally transforms business operations, enhances customer engagement, and augments operational efficiency for its customers all over the world.

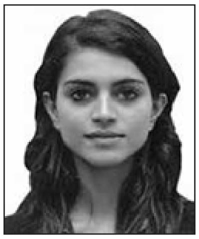
Mr. Tapia is a member of the Young Presidents' Organization (Bombay Chapter) and has served on its executive committee. He is a prolific investor with a special emphasis on tech investing. He has mentored several start-ups in FinTech and EdTech.

Mr. Tapia is a postgraduate in business administration from the Duke University's Fuqua school of business, US and is currently on its Board of Visitors. He is an avid reader and enjoys horse riding and scuba diving in his free time.



Dr. Vrajesh Udani

Dr. Vrajesh Udani is a pediatric neurologist. Dr. Udani has been an assistant professor at Grant Medical College and JJ Group of Hospitals. He is a child neurology consultant at Hinduja National Hospital located at Mahim, Hinduja Health Care Surgical, located at Khar and Saifee Hospital at Charni Road. Dr. Udani also serves as an Honorary visiting consultant at Bai Jerbai Wadia Hospital for Children. He is also a member of the International Child Neurology Association and the past president of the Association of Child Neurologists, India.



Ms. Anjali Mody

Ms. Anjali Mody is a serial entrepreneur with a passion for design.She kindled her love for design under the incomparable guidance of Interior Guru Pinakin Patel and the Late Shri Dashrat Patel. After earning her degree in Industrial Design from RISD she honed her skills in Providence and New York before returning to Mumbai in 2010.

Over the past 10 years Ms. Anjali Mody has co-founding the acclaimed creative agency Skarma in 2010 as well as a bespoke design practice- Josmo in Late 2010 where she remains Founder and Creative Director.

Josmo- her current focus has been on growing her 10 year old design practice that specialises in bringing good design within reach to a larger Indian audience. Her 6000 sq ft retail store and 30,000 sq ft factory are the recent feather in her hat making her overall dream of “Good design within reach”, a beautiful reality.

After 10 years of professional success including glowing features in Elle Decor, Architectural Digest and Good Homes; Caravan, as well as humbling accolades and awards from Forbes, Good Homes, Elle Décor and Acetech Alpha, Ms. Anjali expanded her practice to Goa where she now resides.

Throughout her career Ms. Anjali Mody has established a philosophy centered on blending necessity with imagination. Through her efforts, Ms. Anjali Mody is transforming the arena of design in India by adopting best practices, environmentally sound manufacturing and expression through design.

Apart from her day job as furniture fanatic, she is an avid animal activist and provides support to animal shelters, animal rescue enthusiasts and the world of stray animals as a full time job.

B. Board Procedure

A detailed Agenda folder is sent to each Director in advance of the Board meeting. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board.

All major agenda items are backed by comprehensive background notes and other material information to enable the Board to take informed decisions. Agenda papers (except documents containing unpublished price sensitive information) are circulated to the Board as prescribed in the Act and Secretarial Standards.

C. Information placed before the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meetings.

D. Post - meeting follow - up systems

The Governance system in the Company includes an effective post – meeting follow-up, review and reporting process for action taken / pending on decisions of the Board. Action taken Report forms part of the Agenda item of the Board meetings.

E. Board Support

The Company Secretary of the Company attends all the meetings of the Board and its Committees and advises / assures the Board and Committee on compliance and governance principles.

F. CEO / CFO Certification

Pursuant to Regulation 17(8) of the Listing Regulations, the Managing Director and the Chief Financial Officer (CFO)of the Company have certified to the Board regarding the Financial Statements for the year ended 31st March, 2021. The Managing Director and the CFO have also given quarterly certification on financial results to the Board in terms of Regulation 33(2)of the Listing Regulations.

G. Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on Thursday, 11th February, 2021 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations. At the Meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as awhole;
- Reviewed the performance of the Chairman of the Board, taking into account the views of Executive Director and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

H. Details of Board Meetings

i. During the Financial Year 2020-21, Four (4) meetings of the Board were held as follows:

Sr. No.	Date of the Board Meeting
1.	26th June, 2020
2.	14th August, 2020
3.	11th November, 2020
4.	11th February, 2021

In view of COVID 19 Pandemic SEBI, vide circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19th March, 2020, had relaxed the requirement of the maximum stipulated time gap of one hundred and twenty (120) days between two Board Meetings of the company, between the period 01st December, 2019 and 30th June, 2020, as required under Regulation 18(2)(a) of the Listing Regulations. Hence, the maximum gap between two Board Meetings being more than one hundred and twenty (120) days was under the purview of above circular for relaxation.

ii . Details of Directorships and Chairman/Membership of Board Committees Showing the position as on 31st March, 2021 are given in the following table:

Name of the Director	Category	Number of Board Meetings during the year 2020-2021		Whether attended the last AGM held on 28.09.2020	Number of Directorships in other Companies	Number of Committee positions held in other Public Companies		Directorship in Other listed entity (category of Directorship)
		Held	Attended			Chairman	Member	
Mr. Jaydev Mody (Chairman)	Non-Executive, Promoter	4	3	Yes	11	1	1	1. Delta Corp Limited (Chairman)
Dr. Ram H. Shroff (Managing Director)	Executive, Non-Independent	4	3	Yes	9	0	0	-
Mr. Darius Khambatta	Non-Executive, Independent	4	4	Yes	13	0	0	-
Mr. Javed Tapia	Non-Executive, Independent	4	3	No	11	0	0	-
Mr. Rajesh Jaggi	Non-Executive, Independent	4	4	Yes	10	1	2	1. Delta Corp Limited (Independent Director)
Dr. Vrajesh Udani	Non-Executive, Independent	4	3	No	3	0	3	1. Delta Corp Limited (Independent Director)
Ms. Anjali Mody	Non-Executive - Non Independent	4	2	Yes	2	0	0	-

Chairmanships/Memberships of Board Committees includes only Audit and Stakeholders Relationship Committees of other public companies excluding private limited companies, foreign companies and companies under section 8 of the Act.

iii. Shareholding of Non-executive Directors

The individual shareholding of Non-executive Directors (including shareholding as joint holder) as on 31st March, 2021 is given below:

Name	No. of shares held
Mr. Jaydev Mody	1189
Mr. Darius Khambatta	120
Mr. Javed Tapia	0
Mr. Rajesh Jaggi	0
Dr. Vrajesh Udani	0
Ms. Anjali Mody	0

Committees of the Board

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

A. AUDIT COMMITTEE

The Audit Committeeis, interalia, entrusted with the responsibility to monitor the financial reporting, audit process, determine the adequacy of internal controls, evaluate and approve transactions with related parties, disclosure of financial information and recommendation of the appointment of Statutory Auditors/Internal Auditors. The Audit Committee acts as a link between Statutory, Internal Auditors and the Board of Directors.

i. Composition

The constitution of the Committee is in compliance with Section 177 of the Act and Regulation 18 of the Listing Regulations as amended from time to time. The CFO, Internal Auditors and the Statutory Auditors are invitees to the meetings of the Audit Committee.

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the Financial Year 2020-21 is detailed below:

Sr. No.	Name of Members	Category	Chairman/Member
1	Mr. Rajesh Jaggi	Independent Director	Chairman
2.	Dr. Ram H. Shroff	Managing Director	Member
3.	Mr. Javed Tapia	Independent Director	Member
4.	Dr. Vrajesh Udani	Independent Director	Member

ii. Meeting and attendance

During the Financial Year 2020-21, Four (4) meetings of the Audit Committee were held as follows:

Sr. No.	Date	Committee Strength	No. of Members present
1.	26^{th} June, 2020	4	4
2.	14^{th} August, 2020	4	4
3.	11^{th} November, 2020	4	2
4.	11^{th} February, 2021	4	4

In view of COVID 19 Pandemic SEBI, vide circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19^{th} March, 2020, had relaxed the requirement of the maximum stipulated time gap of one hundred and twenty (120) days between two Audit Committee Meetings of the company, between the period 01^{st} December, 2019 and 30^{th} June, 2020, as required under Regulation 18(2)(a) of the Listing Regulations. Hence, the maximum gap between two Board Meetings being more than one hundred and twenty (120) days was under the purview of above circular for relaxation.

The previous Annual General Meeting of the Company held on Monday, 28^{th} September, 2020 was attended by Mr. Rajesh Jaggi, Chairman of the Audit Committee.

The Company Secretary acts as the Secretary to the Committee.

iii. Brief Terms of Reference

The terms of reference of Audit Committee are in accordance with Section 177 of the Act and the guidelines set out in Regulation 18 of the Listing Regulations as amended from time to time. The Audit Committee is entrusted with the responsibility to supervise the Company's financial control and reporting process and inter-alia performs the following functions:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Review with the management the quarterly and annual financial statements and the auditor's report thereon, before submission to the Board for approval.
- Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, remuneration and terms of appointment of auditors, fixation of audit fees and to approve payment for any other services rendered by the statutory auditors.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Evaluate internal financial controls and risk management systems.

B. NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination and Remuneration Committee is in compliance with the provisions of Section 178 of the Act, Regulation 19 and Part D of Schedule II of the Listing Regulations as amended from time to time. The Composition of Nomination and Remuneration Committee is as follows:

Sr. No.	Name of Director	Nature of Directorship	Chairman/ Member
1.	Mr. Javed Tapia	Independent Director	Chairman
2.	Mr. Jaydev Mody	Non-Executive Director	Member
3.	Mr. Rajesh Jaggi	Independent Director	Member

The Company Secretary acts as the Secretary to the Committee.

i. Meeting and attendance

During the Financial Year 2020-2021, One (1) meeting of the Nomination and Remuneration Committee was held as follows:

Sr. No	Date	Committee Strength	No. of members present
1.	14th August, 2020	3	3

The previous Annual General Meeting of the Company held on Monday, 28th September, 2020 was attended by Mr. Rajesh Jaggi,authorized as a representative of Nomination and Remuneration Committee as per provisions of Section 178 (7) of the Act.

ii. Brief Terms of reference

- Make recommendations regarding the composition of the Board, identify Independent Directors to be inducted to the Board from time to time.

- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every Director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Review and recommend to the Board the remuneration and commission to the managing and executive Directors and define the principles, guidelines and process for determining the payment of commission to non-executive Directors of the Company.

iii. Performance Evaluation and criteria for evaluation

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Individual Directors (including Independent Directors), as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Independent Directors.

iv. Nomination and Remuneration Policy

The Company has adopted a Policy for remuneration of Directors, Key Managerial Personnel and other employees, which is reproduced in Board's Report forming part of this Annual Report.

C. Remuneration of Directors

During the Financial Year 2020-21 apart from sitting fees that they are entitled to under the Act as Non-Executive Directors and reimbursement of expenses incurred in discharge of their duties, none of the Non-Executive Directors have any other material pecuniary relationship or transactions with Company, its promoters, its Directors, its senior management or its subsidiaries.

i. Criteria for Payment to Non–Executive Directors

Overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company; taking into consideration the challenges faced by the Company and its future growth imperatives. Remuneration paid should be reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.

Independent Directors and Non-Independent Non-Executive Directors are paid sitting fees for attending the meetings of the Board and of Committees of which they are members as approved by the Board. The Company pays sitting fees of ₹ 2,000 to directors/members for attending the Board and Audit Committee Meetings. Further, no payment is made towards commission or any other remuneration to the Non-executive Directors of the Company.

Details of sitting fees paid to Non-Executive Directors during Financial Year 2020-21 are as follows:

Name	Sitting fees (₹ in '000)
Mr. Jaydev Mody	6
Mr. Darius Khambatta	8
Mr. Javed Tapia	14
Mr. Rajesh Jaggi	16
Dr. Vrajesh Udani	12
Ms. Anjali Mody	4

During the Financial Year 2020-21, except payment of sitting fees, the Company does not have any pecuniary relationship or transactions with the Non - Executive Directors.

ii. Disclosures with reference to remuneration to Managing Director

The Company provides Managing Director/Executive Director the basic/fixed salary, benefits, perquisites and allowances subject to the overall ceilings stipulated in Section 197 of the Act.

iii. Details of remuneration paid to Managing/Executive Director for the year ended 31st March, 2021

(₹ in '000)

Name	Salary (₹)	Stock Option (₹)	Benefits, Perks and Allowances (₹)	Contribution to Provident Fund (₹)
Dr. Ram H. Shroff	4,174.86	-	3,643.74	-

iv. Service Contract, Severance Fee and Notice Period

The Company has not entered into any service contract.

v. Employee Stock Option Scheme

The Company does not have any Employee Stock Option Scheme.

D. STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of the Stakeholders Relationship Committee is in compliance with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations as amended from time to time.

The constitution of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the Financial Year 2020-21 is detailed below:

i. Composition

The composition of Stakeholders Relationship Committee as on 31st March, 2021 is as follows:

No.	Name of Director	Nature of Directorship	Chairman/ Member
1.	Mr. Jaydev Mody	Non-Executive Director	Chairman
2.	Dr. Ram H. Shroff	Managing Director	Member
3.	Mr. Rajesh Jaggi	Independent Director	Member

The Company Secretary acts as the Secretary to the Committee.

ii. Meeting and attendance

During the Financial Year 2020-21, Five (5) meetings of the Stakeholders Relationship Committee were held, as follows:

Sr. No.	Date	Committee Strength	No. of Members present
1.	26th June,2020	3	3
2.	14th August, 2020	3	3
3.	10th November, 2020	3	2
4.	11th February, 2021	3	2
5.	26th March, 2021	3	3

The previous Annual General Meeting of the Company held on Monday, 28th September, 2020 was attended by Mr. Jaydev Mody, Chairman of the Stakeholders Relationship Committee.

iii. Brief Terms of reference

The constitution and terms of reference of Stakeholders Relationship Committee are in compliance with provisions of Section 178 (5) of the Act and Regulation 20 of the Listing Regulations as amended from time to time.

The Committee specifically looks into redressing of investors' complaints including Non-receipt of annual reports and complaints related to transfer of shares. The Share Transfer Agent provides quarterly confirmation to the Committee on compliance of the requirements in respect of dealing with the transfers, transmissions, complaints and other shareholders related matters. The Committee also monitors and reviews the performance and service standards of the Share Transfer Agent and provides continuous guidance to improve the service levels for investors.

iv. Name and Designation of Compliance Officer:

Name: Ms. Anannya Godbole
Designation: Company Secretary & Compliance Officer

v. Details of Shareholders' / Investors' Complaints

During the Financial Year ended 31st March, 2021, there were no complaints received from shareholders of the Company and hence no complaints were pending as on that date.

In addition, the Company has also received certain requests/general intimations regarding change of address, issuance of duplicate share certificates, transfer/ transmission of shares, dematerialization of shares, physical copy of Annual Report etc. which are duly attended within the period prescribed under the Act and Listing Regulations.

E. Details of General Meetings:

i. Location, date and time of AGM held during the last 3 years:

Year	Location	Date	Day	Time	No. of Special Resolutions
2017-18	Hotel Express Inn, Nashik Pathardi Phata, Ambad, Mumbai Agra Road, Nashik – 422 010, Maharashtra	27th September, 2018	Thursday	1.00 p.m.	0
2018-19	The Gateway Hotel, P-17, Mumbai - Agra National Highway, MIDC, Ambad, Nashik, Maharashtra- 422 010	27th September, 2019	Friday	2.00 p.m.	5
2019-20	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	28th September, 2020	Monday	4.00 p.m.	1

ii. Whether any special resolution passed last year through postal ballot:

During the Financial Year 2020-21 no resolution was passed through postal ballot.

iii. Person who conducted the postal ballot exercise: NA

iv. Whether any special resolution is proposed to be conducted through postal ballot:

No special resolution is proposed to be conducted through the postal ballot as on the date of this report.

v. Procedure for postal ballot –NA

F. MEANS OF COMMUNICATION

i) Quarterly financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Regulations and published in following newspapers:

- Free Press Journal (English)
- Navshakti (Marathi)

ii) The financial results are displayed on Company's website on www.deltamagnets.com as well as on the website of stock exchanges i.e. www.bseindia.com and www.nseindia.com.

iii) During the year no press releases or presentations were made to the institutional investors or to the analysts.

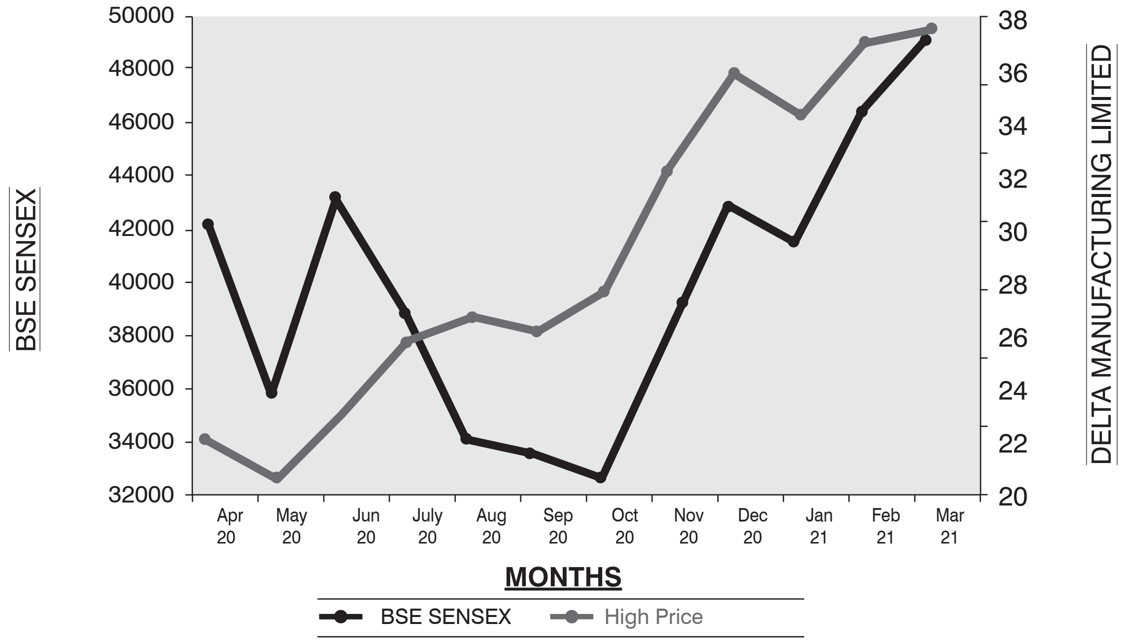
G. GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting

Mode of Conduct	Video Conferencing
Date and Time	28th September, 2021 at 2.30 p.m.
As required under Regulation 36(3) of the Listing Regulations, particulars of Directors seeking re-appointment at the forthcoming AGM are given in the Annexure to the Notice of the AGM to be held on 28th September, 2021.	
Financial Year	1st April to 31st March.
Dates of Book Closure	Tuesday, 21st September, 2021 to Tuesday, 28th September, 2021 (both days inclusive)
Dividend payment date	-
Dividend History	-
Stock Exchange where Company's Shares are Listed	**BSE Limited** Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai 400 001, Maharashtra. Scrip Code : 504286
	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra. Scrip Symbol : DELTAMAGNT
Listing fees	The Company has paid the listing fees to all the Stock Exchanges, where its securities are listed till 31st March, 2021.

ii. Stock Market Price data: High /Low during each month for the Financial Year 2020-21

Month	BSE Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2020	30.05	23.30	29.80	20.20
May, 2020	23.75	17.00	20.95	17.05
June, 2020	30.95	19.30	30.90	18.50
July, 2020	26.90	20.30	26.90	19.75
August, 2020	22.00	20.40	22.30	20.10
September, 2020	21.45	17.10	21.45	17.00
October, 2020	20.60	17.10	20.95	17.15
November, 2020	26.05	17.00	25.40	17.50
December, 2020	30.90	24.65	30.75	24.70
January, 2021	29.50	23.05	30.00	23.10
February, 2021	34.40	23.60	34.00	24.30
March, 2021	37.20	29.55	37.90	29.05



iii. Share Transfer Agents

Freedom Registry Limited

Plot No. 101 / 102, 19th Street, MIDC, Satpur,

Nasik - 422 007, Maharashtra.

Tel:(0253) 2354032, 2363372

Email: support@freedomregistry.co.in

Fax: (0253) 2351126

iv. Share Transfer Process

In terms of Regulation 40(1) of Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. 01st April, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI has fixed 31st March, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The requests for transmission or transposition of securities held in physical form are registered and returned within a period of 15 days from the date of receipt in case the documents are complete in all respects.

v. **Distribution of Equity Shareholding according to Numbers as at 31st March, 2021**

Category	No. of shares held in that slab	% to total number of shares
1 to 5000	19,67,336	18.13
5001 to 10000	2,99,872	2.76
10001 to 20000	1,75,553	1.62
20001 to 50000	4,02,871	3.71
50001 to 100000	1,87,811	1.73
100001 & above	78,17,677	72.05
TOTAL	**1,08,51,120**	**100**

vi. **Distribution of Equity Shareholding according to categories of Shareholders as at 31st March, 2021**

Sr. No.	Category of Shareholder	Number of shares	%
(A)	**Shareholding of Promoter and Promoter Group**	**77,29,484**	**71.23**
(B)	**Public shareholding**		
1	Institutions		
	(a) Mutual Funds/ UTI	1,425	0.01
	(b) Financial Institutions / Banks	8,000	0.07
2	Non-Institutions		
	(a) Bodies Corporate	2,88,054	2.65
	(b) Individuals		
	(i) holding nominal share capital up to ₹ 1 Lacs	20,74,802	19.13
	(ii) holding nominal share capital in excess of ₹ 1 Lacs	6,02,479	5.55
	NRIs	36,727	0.34
	Clearing Member	9,601	0.09
	Director or Director's Relatives	603	0.01
	Trusts	150	0.00
	HUF	70,191	0.65
	LLP	921	0.01
	IEPF	28,683	0.26
	Total Public Shareholding	**31,21,636**	**28.77**
	TOTAL (A) + (B)	**1,08,51,120**	**100**

vii. **Dematerialisation of shares and liquidity**

As on 31st March, 2021, 1,05,36,377 Equity Shares (97.10% of the total number of shares) are in demat form as compared to 1,05,05,818 Equity Shares (96.82 % of the total number of shares) as on 31st March, 2020.

viii. Outstanding GDRs/ ADRs / Warrants or any convertible instruments

The Company has not issued any GDR's/ADR's, Warrants or any convertible instruments during the Financial Year 2020-21.

ix. There is no Commodity price risks or foreign exchange risk and hedging activities.

x. Plant Location

The Company has plants on the following given address:

1. B-87, MIDC, Ambad, Nashik - 422020, Maharashtra.
2. Plot No. 101-103, 19th Street, MIDC, Satpur, Nashik - 422077, Maharashtra.
3. Ganapathipuram, Survey No.21/2d, Tambaram East, 80 MES Road, Irumbuliyur, Chennai - 600059, Tamil Nadu.

xi. Investor Correspondence

Shareholders can contact the following official for secretarial matters of the Company.

Name	Address	Telephone No. / Fax No.	Email id
Ms. Anannya Godbole Company Secretary & Compliance Officer	Bayside Mall, 2nd Floor, Tardeo Road, Haji Ali, Mumbai - 400 034 Maharashtra.	(022) 4079 4700 (022) 4079 4777	secretarial@dmltd.in

xii. Fees to Statutory Auditors

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, given below:

(₹ in 000)

Particulars	Year Ended 31st March	
	2021	2020
Audit Fees	1,950.21	2,403.01
Audit Fees for Other Services	-	-
Reimbursement of Out of pocket Expenses	-	-
Total	**1,950.21**	**2,403.01**

H. Other Disclosures:

Particulars	Regulations	Details	Website link of details/policy
(a) Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	During the Financial Year 2020-21 there are no materially significant Related Party Transactions of the Company which have potential conflict with the interests of the company at large. The Register of Contracts detailing the transactions as required under the Act is placed before the Board. Transactions with related parties are disclosed by way of Notes to the Accounts, which forms part of this Annual Report.	https://www.deltamagnetsgroup.com/dml/downloads/policies/Policy%20on%20Related%20Party%20Transactions.pdf
(b) Details of non -compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets during the last three years	Schedule V (C) 10(b) to the SEBI Listing Regulations	There were no penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.	-
(c) Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.	https://www.deltamagnetsgroup.com/dml/downloads/policies/Whistle%20Blower%20Policy.pdf
(d) Discretionary requirements	Schedule II Part E of the SEBI Listing Regulations	The Company complies with the following non-mandatory requirements: • The auditor's reports on financial statements of the Company are unmodified. • The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director. • Reporting of the Internal Auditor to the Audit Committee.	

Particulars	Regulations	Details	Website link of details/policy
(e) Subsidiary Companies	Regulation 24 of the SEBI Listing Regulations	The Company has a policy for determining 'material subsidiaries' which is disclosed on its website.	https://www.deltamagnetsgroup.com/dml/downloads/policies/Policy%20for%20Determining%20Material%20Subsidiaries.pdf
(f) Code of Conduct	Regulation 17 of the SEBI Listing Regulations	The Board has laid down Code of Conduct for the Board Members and for Senior Management and Employees of the Company. The same has been posted on the website of the Company. All Board Members and Senior Management Personnel (as per Regulation 26(3) of the Listing Regulations) have affirmed compliance with this Code. A declaration to this effect, signed by the Managing Director forms part of this Report.	http://www.deltamagnetsgroup.com/dml/code_conduct.php
(g) Terms of Appointment of Independent Directors	Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment/re-appointment of Independent Directors are available on the Company's website.	http://www.deltamagnetsgroup.com/dml/downloads/policies/Terms%20of%20Appointment%20of%20Ids.pdf
(h) Familiarization Program	Regulations 25(7) and 46 of SEBI Listing Regulations	Details of familiarization program imparted to Independent Directors are available on the Company's website.	http://www.deltamagnetsgroup.com/dml/downloads/policies/Deatils%20of%20Familirisation%20Programmes%20for%20Independent%20Directors.pdf
(i) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018	Schedule V (C) 10(l) to the SEBI Listing Regulations	The details forming part of the Annual Report.	-
(j) Disclosure of commodity price risks and commodity hedging activities	Schedule V (C) 10(g) to the SEBI Listing Regulations	Not Applicable	-

Particulars	Regulations	Details	Website link of details/policy
(k) Skills/expertise/ competencies identified by the Board of Directors for the effective functioning of the Company which are currently available with the Board	Schedule V (C) 2 (h) (i) to the SEBI Listing Regulations	(i) Knowledge - understand the Company's business, policies, culture, major risks, threats and potential opportunities (ii) Behavioral Skills - attributes and competencies to use their knowledge and skills to function well as team members (iii) Strategic thinking and decision making, (iv) Financial /Professional skills to assist the ongoing aspects of the business. (v) Legal and Regulatory compliances and Governance	-

In the table below, the specific areas of focus & expertise of individual Board members have been highlighted. However, the absence of mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

Name of Directors	Area of Expertise				
	Knowledge of Company's business, policies, culture, major risks, threats and potential opportunities	Behavioral Skills - attributes and competencies	Strategic thinking and decision making	Financial / Professional skills to assist the ongoing aspects of the business	Legal and Regulatory compliances and Governance
Mr. Jaydev Mody (Chairman)	√	√	√	√	√
Dr. Ram H. Shroff (Managing Director)	√	√	√	√	√
Mr. Darius Khambatta	√	√	-	√	√
Mr. Javed Tapia	√	√	√	√	√
Mr. Rajesh Jaggi	√	√	-	√	√
Dr. Vrajesh Udani	√	√	-	√	√
Ms. Anjali Mody	√	√	√	-	√

Particulars	Regulations	Details	Website link of details/policy
(l) Certificate from Practicing Company Secretary confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority	Schedule V (C) 10(i) to the SEBI Listing Regulations	Certificate from Mr. Ashish Jain of M/s A. K. Jain & Co., Practicing Company Secretaries forms integral part of this report.	-
(m) Disclosure of non -acceptance of recommendation of any committee of the Board	Schedule V (C) 10(j) to the SEBI Listing Regulations	There was no such instance during Financial Year 2020-21 when the board had not accepted any recommendation of any committee of the board.	

I. The Company is in compliance with the requirements of corporate governance report as specified in sub para (2) to (10) of schedule V (C) of Listing Regulations.

J. The Company has complied with the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 of Listing Regulations details of which are as below:-

Particulars	Regulation Number	Compliance status (Yes/ No/ NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1) & 17 (1A)	Yes
Meeting of Board of directors	17(2) & 17(2A)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Recommendation of the Board	17(11)	Yes
Maximum number of directorships	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes

Particulars	Regulation Number	Compliance status (Yes/ No/ NA)
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Quorum of Nomination & Remuneration Committee	19(2A)	Yes
Meeting of Nomination & Remuneration Committee	19 (3A)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Quorum of Stakeholder Relationship Committee	20 (2A)	Yes
Meeting of Stakeholder Relationship Committee	20 (3A)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	Yes
Meeting of Risk Management Committee	21(3A)	NA
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1),(1A), (5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party Transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	NA
Disclosure of Related Party Transactions on consolidated basis	23(9)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Annual Secretarial Compliance Report	24(A)	Yes
Alternate Director to Independent Director	25 (1)	NA
Maximum Directorship & Tenure	25(2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of Independent Directors	25(7)	Yes
Declarations from Independent Directors	25(8) & (9)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes
Website Upload	46(2)	Yes

DECLARATION

I, Ram H. Shroff, Managing Director of **Delta Manufacturing Limited** (Formerly known as Delta Magnets Limited) hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the Financial Year ended 31st March, 2021.

For Delta Manufacturing Limited
(Formerly known as Delta Magnets Limited)

Dr. Ram H. Shroff
Managing Director
DIN: 00004865

Place: Mumbai
Date: 12th August, 2021

CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
Delta Manufacturing Limited
(Formerly known as Delta Magnets Limited)
B-87, MIDC, Ambad,
Nashik 422010

We have examined the compliance of conditions of corporate governance by **Delta Manufacturing Limited** (CIN: L32109MH1982PLC028280)(formerly known as Delta Magnets Limited)(the Company) for the year ended 31st March, 2021, as stipulated in Regulations 17 to 27, 46 (2) (b) to (i) and Para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

We state that the compliance of conditions of Corporate Governance is the responsibility of the management and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, 46 (2) (b) to (i) and Para C, D and E of Schedule V of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

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

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

For A.K. Jain & Co.
Company Secretaries

Place: Mumbai
Date: 12th August, 2021

Ashish Kumar Jain
Proprietor
FCS: 6058. C.P. No: 6124
UDIN:F006058C000774298

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members of
Delta Manufacturing Limited
(Formerly known as Delta Magnets Limited)
B-87, MIDC, Ambad Nashik - 422010

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Delta Manufacturing Limited** (formerly known as Delta Magnets Limited) (CIN:L32109MH1982PLC028280) and having Registered Office at B-87,MIDC, Ambad, Nashik - 422010, (hereinafter referred to as 'the Company') produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment
1	Mr. Jaydev Mukund Mody	00234797	14/03/2008
2	Dr. Ram Hemant Shroff	00004865	01/08/2011
3	Mr. Darius Khushroo Khambatta	00520338	01/10/2012
4	Mr. Javed Faizullah Tapia	00056420	14/03/2008
5	Dr. Vrajesh Prabhakar Udani	00021311	30/07/2010
6	Mr. Rajesh Satinderpal Jaggi	00046853	29/06/2009
7	Ms. Anjali Jaydev Mody	02784924	13/02/2020

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

For A. K. Jain & Co.
Company Secretaries

Place: Mumbai
Date: 12th August, 2021

Ashish Kumar Jain
Proprietor
FCS: 6058, CP: 6124
UDIN:F006058C000774421

Independent Auditor's Report

To the Members of Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited')

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited') ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2021, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter – COVID-19 Impact

4. We draw attention to Note No. 43 to the accompanying standalone audited financial statements, with regard to the management's evaluation of uncertainty due to the outbreak of COVID-19 and its impact on the future performance operations of the Company. Our opinion is not modified in respect of this matter.

Key Audit Matter

5. 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.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
1. **Revenue recognition** (Refer note 2.8 for the accounting policy on revenue recognition, note 23 of the standalone financial statement for revenue recognized during the year and note 39 for disaggregate revenue information under Ind AS 115) Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	**Our audit procedures included, but were not limited, to the following:** • Obtained and updated our understanding of the revenue business process. • Evaluated the design and tested the operating effectiveness of key controls over the recognition and measurement of revenue. • Around dispatches/deliveries, inventory reconciliations and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures. • Evaluated the appropriateness of disclosures made in the financial statements with respect to revenue recognized during the year as required by applicable accounting standards.

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

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

   When we read the Annual 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

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal

financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.

13. 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.

14. 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.

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

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

18. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c. the standalone financial statements dealt with by this report are in agreement with the books of account;

    d. in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

    f. we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 28 May 2021 as per Annexure B expressed unmodified opinion; and

    g. 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company, as detailed in note 32(a) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021.

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021; and

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021.

For M H S & Associates

Chartered Accountants
Firm's Registration No.: 141079W

Mayur H. Shah
Partner
Membership No.: 147928
UDIN: 21147928AAAABP8270

Place: Mumbai
Date: 28th May, 2021

ANNEXURE A

To the Independent Auditor's Report of even date to the members of Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited'), on the standalone financial statements for the year ended March 31, 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of immovable properties, are held in the name of the Company, except for immovable properties acquired as a part of Scheme of Arrangement [see note 41] in the current year. As explained to us, Registration of title deeds is in progress in respect of such immovable properties.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 & 186 of the Act.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and 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 rules prescribed by the Central Government for the maintenance of the cost records under Sub-Section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable except service tax, sales tax, tax deducted at source(TDS), provident fund. A statement showing arrears of outstanding statutory dues as at the last date of the financial year for a period more than six months is as under:

Name of the Statute	Nature of Dues	Amount (₹ in '000)	Period to which the amount relates	Due Date	Paid Amount (in ₹)	Date of Payment
Finance Act, 1994	Service Tax	2,875.76	August 2015 to June 2017	6th of the following month of the respective months except from March month. For March it is 31st of March.	Nil	Not Paid
The Central Sales Tax, 1956	CST	438.21	September 2015 to June 2017	21st of the following month of the respective months	Nil	Not Paid
Tamil Nadu Value Added Tax Act, 2006	VAT	312.67	September 2015 to June 2017	22nd of the following month of the respective months	Nil	Not Paid

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ In '000)	Amount paid under Protest (₹ In '000)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2,373.94	474.79	F.Y. 2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	3,091.64	618.33	F.Y. 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	3,175.84	635.17	F.Y. 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2,244.43	448.89	F.Y. 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,300.50	260.23	F.Y. 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2,329.86	Nil	F.Y. 1989-90, F.Y.1993-94 and F.Y. 1994-95	Mumbai High Court
Income Tax Act, 191	Income Tax	2,595.35	Nil	F.Y. 2011-12	Rectification u/s. 154 is pending before the Assessing Officer
Income Tax Act, 191	Income Tax	534.68	Nil	F.Y. 2017-18	Rectification u/s. 154 is pending before the Assessing Officer
Income Tax Act, 191	Income Tax	466.40	Nil	F.Y. 2017-18	Rectification u/s. 154 is pending before the Assessing Officer
The Central Sales Tax, 1956	Sales Tax	20,085.17	Nil	F.Y.2013-14, F.Y.2014-15 and F.Y.2015-16	Appeal to be filed before Appellate Deputy Commissioner of Commercial Taxes, Chennai (East) Division
The Foreign Trade (Development and Regulation) Act, 1992	Custom Duty on non-fulfilment of Export Obligations	8,870.65	Nil	F.Y.2003-04, F.Y.2004-05, F.Y.2014-15	Director General of Foreign Trade

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

(ix) Money raised by way of term loans during the year have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

x. No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid and provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For M H S & Associates
Chartered Accountants
Firm's Registration No.: 141079W

Mayur H. Shah
Partner
Membership No.: 147928
UDIN: 21147928AAAABP8270

Place: Mumbai
Date: 28 May, 2021

ANNEXURE B

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited') ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the Company's business, including adherence to the 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that

receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M H S & Associates
Chartered Accountants
Firm's Registration No.: 141079W

Mayur H. Shah
Partner
Membership No.: 147928
UDIN: 21147928AAAABP8270

Place: Mumbai
Date: 28 May, 2021

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2021

(₹ in '000)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	4	4,58,278.63	4,97,615.20
Capital work-in-progress		5.00	-
Intangible assets	5	908.19	1,597.92
Financial assets			
Investments	6	62,983.76	62,983.76
Other financial assets	7	10,493.15	8,937.00
Deferred tax assets (net)	31	27,575.75	-
Non-current tax assets (net)	8	12,047.54	11,994.58
Other non-current assets	9	2,240.45	2,386.87
Total non-current assets		**5,74,532.47**	**5,85,515.33**
Current assets			
Inventories	10	1,60,937.54	1,63,899.12
Financial assets			
Investments	6	6,574.16	23,514.86
Trade receivables	11	2,62,965.82	2,55,708.86
Cash and cash equivalents	12	1,407.93	1,070.74
Bank balances other than cash and cash equivalents	13	6,184.22	8,626.80
Other financial assets	7	1,971.85	2,784.51
Other current assets	9	53,156.90	61,986.18
Assets classified as held for sale	14	31,858.27	23,640.54
Total current assets		**5,25,056.69**	**5,41,231.62**
Total assets		**10,99,589.16**	**11,26,746.95**
Equity and Liabilities			
Equity			
Equity share capital	15	1,08,511.20	1,08,511.20
Other equity	16	83,682.25	1,71,232.76
Total equity		**1,92,193.45**	**2,79,743.96**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	38,070.35	1,15,190.03
Deferred tax liabilities (net)	31	-	2,692.32
Provisions	18	11,633.69	10,856.64
Other non current liabilities	19	2,907.54	5,937.67
Total non-current liabilities		**52,611.58**	**1,34,676.66**
Current liabilities			
Financial liabilities			
Borrowings	17	4,66,493.94	4,57,343.18
Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises; and		10,722.95	15,040.30
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,31,360.40	1,02,633.22
Other financial liabilities	21	1,76,612.52	70,266.69
Provisions	18	15,988.16	12,493.54
Other current liabilities	19	53,606.16	53,168.10
Current income tax liabilities (net)	22	-	1,381.30
Total current liabilities		**8,54,784.13**	**7,12,326.33**
Total liabilities		**9,07,395.71**	**8,47,002.99**
Total equity and liabilities		**10,99,589.16**	**11,26,746.95**
Summary of significant accounting policies	2		

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

As Per Our Report of Even Date

For M H S & Associates
Chartered Accountants
Firm Registration No. : 141079W

Mayur H. Shah
Partner
Membership No: 147928

Mumbai: May 28, 2021

For and on behalf of the Board of Directors of

Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited') (CIN: L32109MH1982PLC028280)

Jaydev Mody
Chairman
DIN:00234797

Dr. Ram H. Shroff
Managing Director
DIN:00004865

Rajesh Jaggi
Director
DIN:00046853

Abhilash Sunny
Chief Financial Officer

Anannya Godbole
Company Secretary (ACS No. 23112)

Mumbai: May 28, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	23	7,09,627.92	9,08,377.08
Other income	24	3,998.50	8,068.40
Total income		**7,13,626.42**	**9,16,445.48**
Expenses			
Cost of material consumed	25	2,42,359.64	2,72,344.07
Purchase of stock-in-trade	26	13,646.28	87,385.68
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	505.38	(8,919.63)
Employee benefits expense	28	2,25,042.96	2,75,465.43
Finance costs	29	64,385.87	61,130.95
Depreciation and amortization expense	4 & 5	50,340.57	59,607.40
Other expenses	30	2,35,109.81	3,04,613.01
Total expenses		**8,31,390.51**	**10,51,626.91**
Profit / (loss) before tax		**(1,17,764.09)**	**(1,35,181.43)**
Income tax expense	31		
a) Current Tax			
– For the year		-	-
– For the prior period		18.07	(71.34)
b) Deferred tax (including MAT credit)		(30,268.07)	766.66
Total income tax expense		**(30,250.00)**	**695.32**
Profit / (loss) for the year		**(87,514.09)**	**(1,35,876.75)**
Other comprehensive income			
a) Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (losses) on defined benefit plans		(36.42)	131.93
Income tax effect on above		-	-
b) Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Foreign currency translation reserve		-	-
Income tax effect on above		-	-
Other comprehensive income for the year		**(36.42)**	**131.93**
Total comprehensive income for the year		**(87,550.51)**	**(1,35,744.82)**
Earnings per share (face value INR 10/- each)	34		
Basic earnings per share (INR)		(8.06)	(12.52)
Diluted earnings per share (INR)		(8.06)	(12.52)
Summary of significant accounting policies	2		

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

As Per Our Report of Even Date

For M H S & Associates
Chartered Accountants
Firm Registration No. : 141079W
Mayur H. Shah
Partner
Membership No: 147928

Mumbai: May 28, 2021

For and on behalf of the Board of Directors of

Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited') (CIN: L32109MH1982PLC028280)

Jaydev Mody
Chairman
DIN:00234797

Dr. Ram H. Shroff
Managing Director
DIN:00004865

Rajesh Jaggi
Director
DIN:00046853

Abhilash Sunny
Chief Financial Officer

Anannya Godbole
Company Secretary (ACS No. 23112)

Mumbai: May 28, 2021

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities		
Profit / Loss before tax	(117,800.51)	(135,049.50)
Adjustments for:		
Depreciation and amortization expenses	50,340.57	59,607.40
Finance costs	64,385.87	61,130.95
Interest income	(804.73)	(1,730.48)
Provision for doubtful debts	9,000.25	2,286.68
Sundry balances written back / (written off)	(26.59)	(1,513.23)
Provision for employee benefits	8,575.12	6,029.28
Unrealised foreign exchange translation (gain) / loss	190.02	1,053.70
Profit on mutual fund	(559.29)	(1,846.55)
Actuarial (gain) / loss on Gratuity	36.42	(131.93)
Operating profit / (loss) before working capital changes	**13,337.13**	**(10,163.68)**
Changes in working capital		
Increase / (decrease) in inventories	2,961.58	(19,344.68)
Increase / (decrease) in trade receivables	(16,064.41)	25,334.40
Increase / (decrease) in other current assets	10,169.80	(6,698.23)
Increase / (decrease) in other non - current assets	(391.91)	(350.06)
Increase / (decrease) in other non - current financial assets	(1,556.15)	(253.20)
Increase / (decrease) in other current financial assets	1,583.68	26.45
Decrease/ (increase) in other non - current liabilities	(833.30)	(833.29)
Decrease/ (increase) in other current liabilities	(1,898.02)	(10,164.86)
Decrease/ (increase) in other current financial liabilities	(11,006.77)	10,062.82
Decrease/ (increase) in trade payables	22,905.86	(1,395.31)
Decrease/ (increase) in provisions	(4,339.88)	(7,290.67)
Cash generated from / (used in) operations	**14,867.61**	**(21,070.31)**
Income tax paid (net)	(1,452.33)	(2,441.20)
Net cash flows generated from / (used in) operating activities (A)	**13,415.28**	**(23,511.51)**
Cash flow from Investing activities		
Purchase of property, plant and equipment & intangible assets	(10,161.12)	(13,658.79)
Proceeds from sale of property, plant and equipment & intangible assets	111.15	0.16
Increase / (decrease) in non current assets held for sale	(8,217.73)	-
Advance proceeds against sale of property	2,136.50	-
Net proceeds from sale of Investments	17,500.00	43,000.00
In fixed deposit with maturity for more than 12 months	(1,494.06)	-
Bank balances other than cash and cash equivalents	2,442.58	(1,296.82)

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest received	1,527.78	808.58
Net cash flow generated from / (used in) investing activities (B)	**3,845.10**	**28,853.13**
Cash flow from financing activities		
Proceeds from non - current borrowings (net)	12,715.21	(3,789.03)
Proceeds from current borrowings (net)	9,150.76	62,108.51
Repayment of lease liabilities	(2,234.08)	(2,399.46)
Dividend paid	(3.41)	(26.47)
Interest paid	(36,551.67)	(78,062.02)
Net cash flow generated from / (used in) financing activities (C)	**(16,923.19)**	**(22,168.47)**
Net increase in cash and cash equivalents (A+B+C)	**337.19**	**(16,826.85)**
Cash and cash equivalents at the beginning of the year	1,070.74	17,897.59
Cash and cash equivalents at the end of the year	**1,407.93**	**1,070.74**
Cash and cash equivalents comprise (Refer note 12)		
Balances with banks		
On current accounts	1,205.45	906.22
Fixed deposits with maturity of less than 3 months	-	-
Cash on hand	202.48	164.52
Total cash and cash equivalents at the end of the year	**1,407.93**	**1,070.74**

Summary of significant accounting policies **(Refer Note 2)**

Notes:

a) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Statement of Cash Flow.

b) Figures in bracket indicate cash outflow.

c) Reconciliation of financing activities

Particulars	March 31, 2020	Cash flow	Non cash adjustment Accrual of interest / unrealised forex loss	March 31, 2021
Non - current borrowings	115,190.03	4,339.79	(81,459.47)	38,070.35
Current maturities of non-current borrowings	16,000.00	(3,165.11)	93,000.00	105,834.89
Current borrowings	457,343.18	9,150.76	-	466,493.94

The accompanying notes are an integral part of the financial statements.

As Per Our Report of Even Date

For M H S & Associates
Chartered Accountants
Firm Registration No. : 141079W

Mayur H. Shah
Partner
Membership No: 147928

Mumbai: May 28, 2021

For and on behalf of the Board of Directors of

Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited') (CIN: L32109MH1982PLC028280)

Jaydev Mody
Chairman
DIN:00234797

Dr. Ram H. Shroff
Managing Director
DIN:00004865

Rajesh Jaggi
Director
DIN:00046853

Abhilash Sunny
Chief Financial Officer

Anannya Godbole
Company Secretary (ACS No. 23112)

Mumbai: May 28, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2021

A. Equity share capital

(₹ in '000)

Particulars	March 31, 2021		March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10/- each				
Opening	10,851,120	108,511.20	6,471,014	64,710.14
Add: Issued during the year	-	-	4,380,106	43,801.06
Less: Buy-back during the year	-	-	-	-
	10,851,120	**108,511.20**	**10,851,120**	**108,511.20**

B. Other equity

Particulars	Securities premium	Equity component on interest free loan	Capital reserve on business combination	Retained earnings	Total
Balance as at April 01, 2019	107,126.58	74,836.91	208,486.14	(82,678.16)	307,771.47
Profit / (Loss) for the year	-	-	-	(135,876.75)	(135,876.75)
Other comprehensive income / (loss)	-	-	-	131.93	131.93
Total comprehensive income for the year	**-**	**-**	**-**	**(135,744.82)**	**(135,744.82)**
Add : Addition during the year	-	-	-	-	-
Add : Transition reserve on account of Ind AS 116	-	-	-	(793.89)	(793.89)
Less : Utilisation during the year	-	-	-	-	-
Balance as at March 31, 2020	**107,126.58**	**74,836.91**	**208,486.14**	**(219,216.87)**	**171,232.76**
Balance as at April 01, 2020	**107,126.58**	**74,836.91**	**208,486.14**	**(219,216.87)**	**171,232.76**
Profit / (Loss) for the year	-	-	-	(87,514.09)	(87,514.09)
Other comprehensive income / (loss)	-	-	-	(36.42)	(36.42)
Total comprehensive income for the year	**-**	**-**	**-**	**(87,550.51)**	**(87,550.51)**
Add : Addition during the year	-	-	-	-	-
Add : Transition reserve on account of Ind AS 116	-	-	-	-	-
Less : Utilisation during the year	-	-	-	-	-
Balance as at March 31, 2021	**107,126.58**	**74,836.91**	**208,486.14**	**(306,767.38)**	**83,682.25**

The accompanying notes are an integral part of the financial statements.

As Per Our Report of Even Date

For M H S & Associates
Chartered Accountants
Firm Registration No. : 141079W

Mayur H. Shah
Partner
Membership No: 147928

Mumbai: May 28, 2021

For and on behalf of the Board of Directors of

Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited') (CIN: L32109MH1982PLC028280)

Jaydev Mody
Chairman
DIN:00234797

Dr. Ram H. Shroff
Managing Director
DIN:00004865

Rajesh Jaggi
Director
DIN:00046853

Abhilash Sunny
Chief Financial Officer

Anannya Godbole
Company Secretary (ACS No. 23112)

Mumbai: May 28, 2021

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

1. General Information

Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited') (the Company") is a Company incorporated on September 23, 1982 under the provision of the Companies Act applicable in India. The Company is incorporated and domiciled and having principal place of business in India. The registered office is at B-87, MIDC, Ambad, Nashik, Maharashtra – 422010, India. The principal business of the company is manufacturing of hard ferrites, soft ferrites, textile woven labels, fabric printed labels and elastic / woven tape. The shares of the company is listed on the National Stock Exchange of India Limited (NSE) and on the BSE Limited (BSE).

These financial statements were authorised for issue by the Board of Directors on **May 28, 2021.**

2. Significant Accounting Policies

2.1 Basis of preparation of financial statements

(a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below.

(c) Current / non current classification

The Company has ascertained its operating cycle as twelve months for the purpose of current / non - current classification of its assets and liabilities. The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at

(₹ in '000)

least twelve months after the reporting period.All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period."

(d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. (Refer Note 3 for detailed discussion on estimates and judgments.)

(e) Rounding off of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand as per the requirement of Schedule III, unless otherwise stated.

2.2 Business combinations

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the Company after assessing fair value of all identified assets and liabilities, record the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

2.3 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Spare parts are recognised when they meet the definition of property, plant and equipment, otherwise, such items are classified as inventory.

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. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Estimated useful life
Leasehold improvement*	Lease period
Factory building	30
Carpeted roads - other than RCC	5
Plant and Machinery - General	15 (On single shift)
Plant and Machinery - Continuous process plant	25
Furniture and fixtures	10
Electrical installations and equipment	10
Computers and data processing units	3 - 6
Office equipments	3 - 5
Motor cars	8
Motor cycles	10

* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property plant and equipment (as mentioned below) over estimated useful lives which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013 (Schedule III). The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

- Mobile Phones are depreciated over the estimated useful life of 3 years, which is lower than the life prescribed in Schedule II.
- Tools are depreciated over the estimated useful life of 5 years, which is lower than the life prescribed in Schedule II."

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income / Other Expenses'.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

2.4 Intangible assets

"Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

Amortisation method and periods

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful lives and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Estimated useful life
Computer Software	5

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Derecognition

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

2.5 Impairment of non-financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

For non financial assets, an assessment is made at each reporting period end or whenever triggering event occurs as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimation of the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimations used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, or had no impairment loss been recognised for the asset in prior years.

2.6 Foreign currency transactions

(a) Functional and presentation currency

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

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

2.7 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.

2.8 Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

Revenue from sale of goods

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Revenue from sale of services

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered. The Company uses output method for measurement of revenue from home solution operations/ painting and related services and royalty income as it is based on milestone reached or units delivered. Input method is used for measurement of revenue from processing and other service as it is directly linked to the expense incurred by the Company.

Interest income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Dividend income

Dividend income is recognised when the right to receive payment is established.

2.9 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

(b) Deferred tax

"Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(c) Minimum Alternate Tax (MAT)

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.10 Assets classified as held for sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset (or disposal group) to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programmed to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

2.11 Leases Accounting

Assets taken on lease:

The Company mainly has lease arrangements for land and building for factory and plant & machinery.

The Company assesses whether a contract is or contains a lease, at inception of a contract. The assessment

(₹ in '000)

involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonable certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Short-term leases and leases of low-value assets:

The Company has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.12 Inventories

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

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

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in ‘000)

concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision of obsolescence on inventories is considered on the basis of management’s estimate based on demand and market of the inventories.

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

The comparison of cost and net realizable value is made on item by item basis.

2.13 Provisions and contingent liabilities

“Provisions are recognized when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

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.

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

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

2.14 Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

2.15 Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur."

2.16 Financial instruments

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

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(₹ in '000)

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

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

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

2.17 Employee benefits

(a) Short-term obligations

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

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Contribution towards the fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

"Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognized in the statement of profit and loss in the year in which they arise.

2.18 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Investment in Subsidiary & Associate Companies

The Company has elected to recognize its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. The details of such investments are given in Note 6.

Impairment policy applicable on such investments is explained in note 2.16 (a) (iii) above.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(₹ in '000)

2.20 Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

2.21 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years 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 or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

2.23 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized 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.

3 Significant Accounting Judgments, Estimates and Assumptions

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

3.1 Estimates and assumptions

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

(a) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(b) Defined benefit plans and other long term benefits (gratuity benefits and leave encashment)

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

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 33.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

4 Property, Plant and Equipment

(₹ in '000)

Particulars	Leasehold Land	Buildings	Plant and Machinery	Furniture & Fixtures	Electrical Installa-tions	Equip-ment's	Vehicles	Computers	Right to Use	Total
Gross block										
As at April 01, 2019	**143,935.20**	**87,840.93**	**946,746.95**	**12,987.34**	**4,642.91**	**12,147.98**	**7,063.95**	**7,674.30**	**-**	**1,223,039.56**
Additions during the year	-	1,310.08	64,453.00	12.90	14.98	272.09	-	500.97	5,110.44	71,674.46
Disposals during the year	-	-	-	-	-	(51.75)	-	-	-	(51.75)
Adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	**143,935.20**	**89,151.01**	**1,011,199.95**	**13,000.24**	**4,657.89**	**12,368.32**	**7,063.95**	**8,175.27**	**5,110.44**	**1,294,662.27**
Additions during the year	-	-	10,297.34	11.90	-	133.75	-	232.96	-	10,675.95
Disposals during the year	-	-	-	-	-	(49.33)	(564.55)	-	-	(613.88)
Adjustments during the year	-	-	-	-	-	-	-	-	(269.02)	(269.02)
As at March 31, 2021	**143,935.20**	**89,151.01**	**1,021,497.29**	**13,012.14**	**4,657.89**	**12,452.74**	**6,499.40**	**8,408.23**	**4,841.42**	**1,304,455.32**
Accumulated depreciation										
As at April 01, 2019	**7,088.26**	**30,937.53**	**669,152.64**	**10,651.32**	**2,411.13**	**7,381.38**	**4,035.80**	**6,702.00**	**-**	**738,360.06**
Charges for the year	2,309.45	2,547.97	48,739.63	398.47	704.98	976.19	870.16	449.70	1,733.21	58,729.76
Reverse charge on disposal	-	-	-	-	-	(42.75)	-	-	-	(42.75)
Adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	**9,397.71**	**33,485.50**	**717,892.27**	**11,049.79**	**3,116.11**	**8,314.82**	**4,905.96**	**7,151.70**	**1,733.21**	**797,047.07**
Charges for the year	2,303.03	2,580.40	40,083.05	376.37	582.42	920.57	862.49	462.63	1,479.88	49,650.84
Reverse charge on disposal	-	-	-	-	-	(42.61)	(478.61)	-	-	(521.22)
Adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	**11,700.74**	**36,065.90**	**757,975.32**	**11,426.16**	**3,698.53**	**9,192.78**	**5,289.84**	**7,614.33**	**3,213.09**	**846,176.69**
Net block as at March 31, 2020	**134,537.49**	**55,665.51**	**293,307.68**	**1,950.45**	**1,541.78**	**4,053.50**	**2,157.99**	**1,023.57**	**3,377.23**	**497,615.20**
Net block as at March 31, 2021	**132,234.46**	**53,085.11**	**263,521.97**	**1,585.98**	**959.36**	**3,259.96**	**1,209.56**	**793.90**	**1,628.33**	**458,278.63**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

5 Intangible Assets

Particulars	Software	Total
Gross block		
As at April 01, 2019	**7,519.66**	**7,519.66**
Additions during the year	61.80	61.80
Disposals during the year	-	-
Adjustments during the year	-	-
As at March 31, 2020	**7,581.46**	**7,581.46**
Additions during the year	-	-
Disposals during the year	-	-
Adjustments during the year	-	-
As at March 31, 2021	**7,581.46**	**7,581.46**
Accumulated depreciation		
As at April 01, 2019	5,105.90	5,105.90
Charges for the year	877.64	877.64
Reverse charge on disposal	-	-
Adjustments during the year	-	-
As at March 31, 2020	**5,983.54**	**5,983.54**
Charges for the year	689.73	689.73
Reverse charge on disposal	-	-
Adjustments during the year	-	-
As at March 31, 2021	**6,673.27**	**6,673.27**
Net block as at March 31, 2020	**1,597.92**	**1,597.92**
Net block as at March 31, 2021	**908.19**	**908.19**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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(₹ in '000)

6 Financial assets - investments	March 31, 2021		March 31, 2020	
	Non- current	Current	Non- current	Current
Investment in equity instrument measured as at cost				
Unquoted equity shares				
– MagDev Limited (Foreign Company)	62,983.76	-	62,983.76	-
(762,500 Equity Shares of Face Value of £ 1/- Each)				
(2,500 Deferred Shares of Face Value of £ 1/- Each)				
Investments measured at fair value through profit or loss				
Investment in mutual funds				
HDFC Overnight Fund - Growth Option	-	6,574.16	-	23,514.86
[Unit held as on March 31, 2021 - 2,149.779 (March 31, 2020 - 7,919.814)]				
	62,983.76	**6,574.16**	**62,983.76**	**23,514.86**

Particulars	March 31, 2021	March 31, 2020
Aggregate book value of:		
Quoted investments	6,574.16	23,514.86
Unquoted investments	62,983.76	62,983.76
Aggregate market value of:		
Quoted investments	6,574.16	23,514.86
Aggregate amount of impairment in value of Investments	-	-

7 Other financial assets	March 31, 2021		March 31, 2020	
	Non- current	Current	Non- current	Current
Security deposits	8,942.15	479.98	8,937.00	483.78
In fixed deposit with maturity for more than 12 months	1,494.06	-	-	-
Interest accrued on deposits	56.94	1,491.87	-	2,271.85
Other receivables	-	-	-	28.88
	10,493.15	**1,971.85**	**8,937.00**	**2,784.51**

8 Non-current tax assets	March 31, 2021	March 31, 2020
Advance income tax (net)	12,047.54	11,994.58
	12,047.54	**11,994.58**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

9 Other assets	March 31, 2021		March 31, 2020	
	Non-current	Current	Non- current	Current
Unsecured, considered good				
Capital advances	1,292.23	-	1,830.56	-
Balance with government authorities (other than income tax)	-	37,251.52	-	47,438.91
Advance to Creditors	-	11,184.85	-	9,844.32
Prepaid expenses	948.22	3,466.87	556.31	3,150.70
Advance to Employees	-	1,253.66	-	1,552.25
	2,240.45	**53,156.90**	**2,386.87**	**61,986.18**

10 Inventories (valued at lower of cost and net realizable value)	March 31, 2021	March 31, 2020
Raw material	50,924.90	51,326.77
Work in progress	35,399.61	27,322.18
Finished goods	44,950.39	54,003.12
Stock in trade	1,636.52	1,166.60
Store and spares parts (including packing material & tools)	28,026.12	30,080.45
	160,937.54	**163,899.12**

11 Trade receivables	March 31, 2021	March 31, 2020
Unsecured		
- Considered good*	262,965.82	255,708.87
- Considered doubtful	14,865.41	6,141.22
	277,831.23	**261,850.08**
Less : Allowance for bad and doubtful debts	(14,865.41)	(6,141.22)
	262,965.82	**255,708.86**

*Includes INR 368.49 ('000) [previous year INR 342.62 ('000)] receivable from related parties (refer note no. 36)

12 Cash and cash equivalents	March 31, 2021	March 31, 2020
Balances with banks		
- In current accounts	1,205.45	906.22
Cash on hand	202.48	164.52
	1,407.93	**1,070.74**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(₹ in '000)

13	Bank balances other than cash and cash equivalents	March 31, 2021	March 31, 2020
	Margin Money with Bank	-	690.10
	Unpaid Dividend Accounts	1,338.29	1,341.70
	In fixed deposit with maturity for more than 3 months but less than 12 months	4,845.93	6,595.00
		6,184.22	**8,626.80**

14	Assets classified as held for sale	March 31, 2021	March 31, 2020
	Immovable properties situated at Chennai (including cost of improvement and other costs)	31,858.27	23,640.54
		31,858.27	**23,640.54**

15 Equity share capital	March 31, 2021		March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Authorized				
Equity shares of ₹ 10/- each	46,000,000	460,000.00	46,000,000	460,000.00
	46,000,000	460,000.00	46,000,000	460,000.00
Issued, subscribed and paid up				
Equity shares of ₹ 10/- each	10,851,120	108,511.20	10,851,120	108,511.20
	10,851,120	108,511.20	10,851,120	108,511.20

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	March 31, 2021		March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	10,851,120	108,511.20	6,471,014	64,710.14
Add: Issued during the year	-	-	4,380,106	43,801.06
Less: Buy-back during the year	-	-	-	-
Outstanding at the end of the year	**10,851,120**	**108,511.20**	**10,851,120**	**108,511.20**

(b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of INR 10/- per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2020, the amount of per share dividend recognized as distributions to equity shareholders was Nil (March 31, 2019: Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

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

Particulars	March 31, 2021		March 31, 2020	
	No. of shares	% of holding in the class	No. of shares	% of holding in the class
Aarti Pandit Family Private Limited (Formerly known as Aryanish Finance & Investments Pvt Ltd)*	1,986,318	18.31%	1,986,318	18.31%
Aditi Mody Family Private Limited (Formerly known as Bayside Property Developers Private Limited)*	1,987,111	18.31%	1,987,111	18.31%
Anjali Mody Family Private Limited (Formerly known as Delta Real Estate Consultancy Private Limited)*	1,985,273	18.30%	1,985,273	18.30%
SSI Trading Private Limited	1,615,153	14.88%	1,615,153	14.88%

*Aarti Pandit Family Private Limited, Aditi Mody Family Private Limited, Anjali Mody Family Private Limited are holding Equity Shares in the capacity of trustees for Aarti J Mody Trust, Aditi J Mody Trust and Anjali J Mody Trust respectively.

(d) Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT'), had vide its Order dated December 27, 2019 approved the Scheme of Amalgamation of Arrow Textiles Limited ("First Transferor Company") and MMG India Private Limited ("Second Transferor Company") with Delta Magnets Limited ("Transferee Company") and their respective shareholders ("the Scheme) and accordingly the Transferor Companies and Pursuant to the Scheme of Amalgamation of Arrow Textiles Limited ("First Transferor Company") and MMG India Private Limited ("Second Transferor Company") with Delta Magnets Limited ("Transferee Company") and their respective shareholders ("the Scheme) as approved by Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT'), had vide its Order dated December 27, 2019, the Company had issued and allotted 4,380,106 Equity Shares of ` 10/- each to shareholders of Arrow Textiles Limited (First Transferor Company) on March 03, 2020. The Company had applied for listing of shares to the BSE Limited and National Stock Exchange of India Limited (the Stock Exchanges) and received the listing permission for 4,295,623 Equity Shares held in dematerialised mode on April 27, 2020 and for 84,483 Equity Shares held in physical mode on September 11, 2020.

(e) Equity Shares issued by the Company without payment being received in cash during the five years immediately preceding March 31st.

Particulars	Aggregate No. of Shares	
	March 31, 2021	March 31, 2020
Fully paid up equity shares issued as per the scheme of Business Combination approved by NCLT.	-	**4,380,106**

16	Other equity	March 31, 2021	March 31, 2020
	Securities premium reserve	107,126.58	107,126.58
	Equity component on interest free loan	74,836.91	74,836.91
	Capital reserve on business combination	208,486.14	208,486.14
	Retained earnings	(306,767.38)	(219,216.87)
		83,682.25	**171,232.76**

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FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

Nature and purpose of other reserves

Securities premium	Securities premium reserve is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.
Equity component on interest free loan	Deemed equity contribution represents difference between consideration received and present value of liability component on initial recognition (net of deferred tax).
Capital reserve on business combination	1) Capital Reserve of INR 61,847.81 ('000) was created on merger of MMG India Privated Limited, whollyowned subsidiary of the Company, with the Company as per the order passed by the National Company Law Tribunal. 2) Capital Reserve of INR 146,538.33 ('000) was created on merger of Arrow Textiles Limited, with the Company as per the order passed by the National Company Law Tribunal."
Retained earnings	Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Particulars		March 31, 2021	March 31, 2020
(a)	**Securities premium reserve**		
	Opening balance	107,126.58	107,126.58
	Add : Securities premium credited addition during the year on share issue	-	-
	Less : Securities premium utilisation during the year	-	-
	Closing balance	**107,126.58**	**107,126.58**
(b)	**Equity component on interest free loan**		
	Opening balance	74,836.91	74,836.91
	Add : Addition during the year	-	-
	Less : Utilisation during the year	-	-
	Closing balance	**74,836.91**	**74,836.91**
(c)	**Capital reserve on business combination**		
	Opening balance	208,486.14	208,486.14
	Add : Addition during the year	-	-
	Less : Utilisation during the year	-	-
	Closing balance	**208,486.14**	**208,486.14**
(d)	**Retained earnings**		
	Opening balance	(219,216.87)	(82,678.16)
	Net profit / (loss) for the current year	(87,514.09)	(135,876.75)
	Reserve on account of Business combination	-	(793.89)
	Item of OCI for the year, net of tax	(36.42)	131.93
	Closing balance	**(306,767.38)**	**(219,216.87)**
	Total other equity	**83,682.25**	**171,232.76**

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FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

17 Borrowings	March 31, 2021		March 31, 2020	
	Non- current	Current	Non-current	Current
Secured				
Borrowings from banks	38,070.35	132,768.94	33,730.56	135,087.87
Non Current Borrowings [Term loan 1 - outstanding balance as at balance sheet date carry interest @ 9.45 % p.a. (floating) is repayable in 72 months (including moratorium period of 12 months) as per ballooning repayment schedule. Installment started from January, 2020. (refer below for detail of securities)] [Term loan 2 - outstanding balance as at balance sheet date carry interest @ 9.25 % p.a. (floating) is repayable in 48 months (including moratorium period of 12 months) as per ballooning repayment schedule. Installment starting from October, 2021. (refer below for detail of securities)]				
Current Borrowings [Repayable on demand and carry interest @ 8.15% p.a. floating (refer below for detail of securities)] [Securities - Above borrowings are secured by way of hypothecation on entire movable fixed assets & current assets of the Company, present and future. Further, secured by way of equitable mortgage of land & building owned by the Company except the land and building situated at Chennai and personal guarantee by one of the promoter].				
Unsecured				
Borrowings from related party	-	333,725.00	81,459.47	322,255.31
(Non - current borrowing - Interest free loan) (Current borrowing - repayable on demand and interest@ 9 % p.a.)				
Total	**38,070.35**	**466,493.94**	**115,190.03**	**457,343.18**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

18 Provisions	March 31, 2021		March 31, 2020	
	Non- current	Current	Non-current	Current
Provision for employee benefits (refer note 33)				
- Gratuity (funded)	11,633.69	-	10,856.64	-
- Leave encashment (unfunded)	-	14,939.16	-	11,444.54
Provision for CSR	-	1,049.00	-	1,049.00
	11,633.69	**15,988.16**	**10,856.64**	**12,493.54**

19 Other Liabilities	March 31, 2021		March 31, 2020	
	Non- current	Current	Non-current	Current
Statutory due payable	-	17,697.25	-	19,603.74
Advance received from customers	-	32,603.24	-	32,230.45
Advance received against sale of land	-	2,136.50	-	-
Deferred revenue on customer advances	-	-	-	180.00
Deferred Government Grant	1,386.34	833.29	2,219.64	833.29
Payable to Shareholders on account of merger	-	8.47	-	-
Lease liabilities	1,521.20	327.41	3,718.03	320.62
	2,907.54	**53,606.16**	**5,937.67**	**53,168.10**

20 Trade Payables	March 31, 2021	March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	10,722.95	15,040.30
Total outstanding dues of creditors other than micro enterprises and small enterprises	131,360.40	102,633.22
Total	**142,083.35**	**117,673.52**

Particulars	March 31, 2021	March 31, 2020
The principal amount remaining unpaid at the end of the year	7,511.29	13,799.36
The Interest amount remaining unpaid at the end of the year	3,211.66	1,240.94
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
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 MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	3,211.66	1,240.94

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

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 MSMED Act, 2006	-	-

21	Other financial liabilities - current	March 31, 2021	March 31, 2020
	Current maturities of non - current borrowings	105,834.89	16,000.00
	Accrued interest on loans	42,954.26	15,433.14
	Employee related payable	26,312.35	37,491.85
	Unclaimed Dividend	1,338.29	1,341.70
	Other financial liability	172.73	-
		176,612.52	**70,266.69**

22	Current income tax liabilities (net)	March 31, 2021	March 31, 2020
	Current tax payable (net of advance taxes)	-	1,381.30
		-	**1,381.30**

23	Revenue from operations	March 31, 2021	March 31, 2020
	Sale of products		
	- Finished goods	682,983.04	812,511.22
	- Traded goods	20,138.15	95,195.73
	Other operating revenue	6,506.73	670.13
		709,627.92	**908,377.08**

24	Other income	March 31, 2021	March 31, 2020
	Interest income	804.73	1,730.48
	Sundry balances written back	26.59	1,513.23
	Profit on sale of mutual fund	559.29	1,846.55
	Amortisation of Government Grant	833.29	833.29
	Insurance claim received	754.53	1,431.58
	Net Gain on Disposal of Property, Plant and Equipment	18.48	-
	Foreign exchange fluctuation (net)	654.75	-
	Other non - operating income	346.84	713.27
		3,998.50	**8,068.40**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

25	Cost of material consumed	March 31, 2021	March 31, 2020
	Cost of raw material consumed		
	Inventory at the beginning of the year	51,326.77	39,030.70
	Add: Purchases	241,957.77	284,640.14
	Less: Inventory at the end of the year	(50,924.90)	(51,326.77)
	Total cost of materials consumed	**242,359.64**	**272,344.07**

26	Purchase of stock-in-trade	March 31, 2021	March 31, 2020
	Purchase of stock-in-trade	13,646.28	87,385.68
		13,646.28	**87,385.68**

27	Changes in inventories of finished goods, stock-in-trade and work-in-progress	March 31, 2021	March 31, 2020
	Inventories at the beginning of the year		
	- Finished goods	54,003.12	50,551.07
	- Stock in trade	1,166.60	1,505.61
	- Work-in-progress	27,322.18	21,515.59
		82,491.90	**73,572.27**
	Inventories at the end of the year		
	- Finished goods	(44,950.39)	(54,003.12)
	- Stock in trade	(1,636.52)	(1,166.60)
	- Work-in-progress	(35,399.61)	(27,322.18)
		(81,986.52)	**(82,491.90)**
	Net decrease / (increase)	**505.38**	**(8,919.63)**

28	Employee benefits expense	March 31, 2021	March 31, 2020
	Salaries, wages, bonus and other allowances	201,188.07	253,001.58
	Contribution to provident & other funds (refer note 33)	11,143.29	11,863.89
	Contribution to gratuity fund & leave encashment expense (refer note 33)	8,575.12	6,029.28
	Staff welfare expenses	4,136.48	4,570.68
		225,042.96	**275,465.43**

29	Finance costs	March 31, 2021	March 31, 2020
	Interest expenses	62,618.14	58,517.22
	Other borrowing costs	1,767.73	2,613.73
		64,385.87	**61,130.95**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in ‘000)

30 Other expenses	March 31, 2021	March 31, 2020
Consumption of Stores & Spares, Consumables and Packing Materials etc.	60,423.95	77,053.77
Repairs & maintenance		
– Plant & machinery	1,052.03	1,519.85
– Building	1,484.08	2,725.51
– Others	6,354.04	5,680.53
Job work expenses	4,628.94	14,348.17
Power and fuel	94,070.56	129,588.52
Insurance	2,015.38	1,841.39
Audit expenses	250.00	293.50
Rates and taxes	7,402.17	5,839.83
Carriage and freight	21,567.86	21,320.22
Travel and conveyance	6,360.03	11,860.39
Director sitting fees	42.00	100.00
Legal & professional charges	6,056.64	5,831.56
Merger expenses	52.32	3,037.00
Foreign exchange fluctuation (net)	-	760.37
Rent	990.53	1,641.05
Commission on sales	5,549.88	7,215.31
Selling & distribution cost	1,702.27	2,816.96
Listing fees	540.00	525.00
Provision for expected credit loss / doubtful advances	9,000.25	2,286.68
Loss on sale of property, plant and equipment	-	8.83
Miscellaneous expenses	5,566.88	8,318.57
	235,109.81	**304,613.01**
Payments to auditor		
Statutory audit	250.00	293.50
	250.00	**293.50**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

31	Income taxes	March 31, 2021	March 31, 2020
(a)	**Deferred tax relates to the following:**		
	Deferred tax assets		
	On unabsorbed depreciation and losses	49,492.83	19,515.12
		49,492.83	**19,515.12**
	Deferred tax liabilities		
	On property, plant and equipment	21,793.51	19,039.54
	Interest free loans to subsidiary	-	2,904.51
	Fair value of mutual funds	123.57	263.39
		21,917.08	**22,207.44**
	Deferred tax (liabilities) / assets, net	27,575.75	(2,692.32)
	Minimum Alternative Tax (MAT) entitlements	-	-
	Deferred tax (liabilities) / assets, net	**27,575.75**	**(2,692.32)**
(b)	**Deferred tax assets / (liabilities) to be recognized in statement of profit and loss**		
	Deferred tax assets / (liabilities) net	27,575.75	(2,692.32)
	Less: Opening deferred tax assets / (liabilities)	(2,692.32)	(1,925.66)
	Deferred tax assets / (liabilities) for the year	**30,268.07**	**(766.66)**
	Tax liability recognized in Statement of Profit and Loss	(30,268.07)	766.66
	Tax liability recognized in OCI		
	- On re-measurements gain/(losses) of post-employment benefit obligations	-	-
	Total deferred tax expenses/(income) recognised in the statement of profit and loss	**(30,268.07)**	**766.66**
(c)	**Income tax expense**		
	Amount recognised in the statement of profit or loss		
	a) Current tax		
	For the year	-	-
	For the prior period	18.07	(71.34)
	b) Deferred tax	(30,268.07)	766.66
	Total income tax expense	**(30,250.00)**	**695.32**
	Amount recognised in other comprehensive income		
	Arising on income and expenses recognised in other comprehensive income:		
	- Remeasurement of defined benefit obligation	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

31	Income taxes	March 31, 2021	March 31, 2020
(d)	**Reconciliation of tax charge**		
	Profit / (loss) before tax	(117,800.51)	(135,049.50)
	Enacted income tax rate in India applicable to the company	26.00%	27.82%
	Income tax expense at tax rates applicable	**(30,628.13)**	**(37,570.77)**
	Tax effects of:		
	Effect of not recognition of deferred tax asset on accumulated tax losses	30,628.13	37,570.77
	Incremental deferred tax liability on account of tangible and intangible assets	2,753.97	(6,279.15)
	Reversal of deferred tax liability on account of interest free loan	(2,904.51)	(3,122.44)
	Reversal of fair value of mutual funds	(139.82)	(53.51)
	Assets created on unabsorbed depreciation	(29,977.71)	1,266.41
	Reversal of provision for employee benefits	-	4,247.99
	Reversal of MAT credit	-	4,707.35
	For the prior period income tax	18.07	(71.34)
		(30,250.00)	**695.32**
	Effective tax rate (%)	**25.68%**	**-0.51%**
(e)	**Movement of MAT credit entitlement**		
	Opening balance	-	4,707.35
	Add : Recognised during the year	**-**	**-**
	Less : Derecognised during the year	-	(4,707.35)
	Less : Utilised during the year	-	-
	Closing balance	**-**	**-**

32	Contingent liabilities and capital commitments	March 31, 2021	March 31, 2020
(a)	**Contingent liabilities**		
	(excluding interest and penalty on the respective amount, if any arrived upon the final outcome)		
	TDS as per traces	892.50	1,292.84
	Disputed sales tax demands	14,982.61	14,516.21
	Disputed sales tax demands	22,995.27	11,443.23
	Disputed Customs and DGFT demands	8,870.65	-
	Outstanding letters of credit	3,875.00	11,122.81
		51,616.03	**38,375.09**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

(b) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
- Towards Property, Plant and Equipment	-	-
	-	**-**

33 Employee Benefits

Brief description of the plans:

The Company has various schemes for employee benefits such as Provident Fund, ESIC, Gratuity and Leave Encashment. The Company's defined contribution plans are Provident Fund (in case of certain employees) and Employees State Insurance Fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans.

a. Define Benefit Plans:

The Company's defined benefit plans include Gratuity. The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

i. Actuarial assumptions	March 31, 2021	March 31, 2020
Discount rate (per annum)	6.49% - 6.86%	6.56% - 6.89%
Salary escalation rate	5%	5%
Rate of employee turnover	2% - 5%	2% - 5%
Mortality rate during Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Expected rate of return on plan assets (per annum)	6.49% - 6.86%	6.56% - 6.89%

ii. Expense recognized in the Statement of Profit and Loss	March 31, 2021	March 31, 2020
Current service cost	3,008.24	3,141.22
Past service cost	-	-
Interest cost	724.26	809.27
Total*	**3,732.50**	**3,950.49**

*The total expenses for the year are included in the 'Employee benefits expense" line item in the Statement of Profit & Loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

iii. Expense recognized in the statement of other comprehensive income	March 31, 2021	March 31, 2020
Actuarial (gains)/losses on obligation - due to changes in financial assumptions	199.36	(1,802.77)
Actuarial (gains)/losses on obligation - due to experience adjustment	(266.58)	1,369.44
Return on plan assets, excluding interest income	103.64	301.40
Total*	**36.42**	**(131.93)**

iv. Changes in the present value of defined benefit obligation	March 31, 2021	March 31, 2020
Present value of obligation at the beginning of the year	54,708.43	52,653.80
Interest cost	3,712.62	4,061.85
Current service cost	3,008.24	3,141.22
Past service cost	-	-
Benefit paid directly by the employer	(2,991.87)	(2,073.67)
Benefit paid directly from the fund	(2,518.31)	(2,641.44)
Actuarial (gains)/losses on obligation - due to changes in financial assumptions	199.36	(1,802.77)
Actuarial (gains)/losses on obligation - due to experience adjustment	(266.58)	1,369.44
Present value of obligation at the end of the year	**55,851.89**	**54,708.43**

v. Change in the fair value of plan assets	March 31, 2021	March 31, 2020
Fair value of plan assets at the beginning of the year	43,851.79	41,991.66
Interest income	2,988.36	3,252.58
Benefit paid directly from the fund	(2,518.31)	(2,641.44)
Contributions by the Employer	-	1,550.39
Return on plan assets, excluding interest income	(103.64)	(301.40)
Fair value of plan assets at the end of the year	**44,218.20**	**43,851.79**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

vi. Assets and liabilities recognized in the Balance Sheet	March 31, 2021	March 31, 2020
Present value of funded obligation	55,851.89	54,708.43
Less: Fair Value of plan assets	44,218.20	43,851.79
Net asset / (liability) recognized in Balance Sheet*	**11,633.69**	**10,856.64**

*Included in provision for employee benefits (refer note 18)

vii. Maturity analysis of the benefit payments: from the fund	March 31, 2021	March 31, 2020
Projected Benefits Payable in Future Years from the Date of Reporting		
1st Following Year	6,206.93	7,149.88
2nd Following Year	3,535.28	4,070.71
3rd Following Year	8,236.50	4,594.13
4th Following Year	10,936.53	7,795.45
5th Following Year	7,648.50	10,171.29
Sum of Years 6 To 10	20,880.11	23,830.92
Sum of Years 11 and above	36,671.16	34,862.66

The Plan typically to expose the Company to actuarial risk such as Interest Risk, Longevity Risk and Salary Risk;

a) Interest Risk:- A decrease in the bond interest rate will increase the plan liability.

b) 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.

c) Salary Risk: The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan's participants will increase the plan's liability.

viii. A quantitative sensitivity analysis for significant assumption is as shown below	March 31, 2021	March 31, 2020
Impact on defined benefit obligation		
Discount rate		
1% increase	(3,047.09)	(2,985.87)
1% decrease	3,473.84	3,396.87
Rate of increase in salary		
1% increase	3,398.63	3,330.89
1% decrease	(3,055.13)	(2,856.17)
Withdrawal rate		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(₹ in '000)

viii. A quantitative sensitivity analysis for significant assumption is as shown below	March 31, 2021	March 31, 2020
1% increase	419.75	424.31
1% decrease	(474.72)	(478.03)

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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

b. Leave obligations

The leave obligations cover the Company's liability for earned leave.

The amount of the provision of ₹ 14,939.16 [March 31, 2020 ₹ 11,444.54] is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations."

Particulars	March 31, 2021	March 31, 2020
Current service cost	4,842.62	2,078.79
Total expenses/(income) recognised in the statement of profit and loss	4,842.62	2,078.79

c. Defined contribution plans

The Company also has certain defined contribution plans. The contributions are made to registered provident fund, Employee State Insurance Corporation and Labour Welfare Fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plans are as follows:

Charge to the statement of profit and loss based on contributions	March 31, 2021	March 31, 2020
Employer's contribution to regional provident fund office	10,248.61	10,075.53
Employer's contribution to employees' state insurance	868.36	461.04
Employer's contribution to labour welfare fund	26.32	1,327.32
	11,143.29	**11,863.89**

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(₹ in '000)

34 Earnings/loss per share	March 31, 2021	March 31, 2020
The following reflects the income and share data used in the basic and diluted EPS computations:		
Profit attributable to equity holders	(87,514.09)	(135,876.75)
Add: Impact of dilutive potential equity shares	-	-
Profit attributable to equity holders adjusted for the effect of dilution	**(87,514.09)**	**(135,876.75)**
Weighted average number of equity shares for basic and diluted EPS	10,851,120	10,851,120
Basic loss per share (INR)	(8.06)	(12.52)
Diluted loss per share (INR)	(8.06)	(12.52)

35 Segment reporting

In accordance with Ind AS 108 'Operating Segment', segment information has been given in the consolidated financial statements and therefore, no separate disclosure on segment information is given in these financial statements.

36 Related party disclosures

(a) List of related parties

(i) Subsidiary companies

MagDev Limited (Magdev)

(ii) Step down subsidiaries

Pilamec Limited (Pilamec)

(iii) Key management personnel's (KMP's)

Mr. Jaydev Mody (JM) - Chairman

Dr. Ram H. Shroff (RHS) - Executive Vice Chairman & Managing Director

Ms. Ambika Kothari (AK) - Non-executive Director (upto 13.02.2020)

Mr. Javed Tapia (JT) - Independent Director

Dr. Vrajesh Udani (VU) - Independent Director

Mr. Rajesh Jaggi (RJ) - Independent Director

Mr. Darius Khambatta (DK) - Non-executive Director

Ms. Anjali Modi (ANJ) - Non-executive Director (w.ef. 13.02.2020)

Mr. Samir Chinai (SC) - Independent Director (upto 13.02.2020)

Mr. Abhilash Sunny (AS) - Chief Financial Officer

Mrs. Anannya Godbole (AG) - Company Secretary

(iv) Relatives of KMP's

Mrs. Zia Mody (ZM) - Wife of the Chairman

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in ‘000)

(v) Enterprises over which persons mentioned in (iii) and (iv) above exercise significant influence/ control

AZB & Partners (AZB)

Freedom Registry Limited (FRL)

Aarti Management Consultancy Private Limited (AAMPL)

Aditi Management Consultancy Private Limited (ADMPL)

AAA Holding Trust (AAAHT)

Myra Mall Management Company Private Limited (MMMCPL)

(b) Details of transaction carried out with related parties in the ordinary course of business for the year ended

Particulars	Subsidiaries		KMP		Enterprises Over which KMPs / Their Relatives Exercise Significant Influence or Control		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Remuneration Paid								
RHS	-	-	4,174.86	6,326.93	-	-	4,174.86	6,326.93
AS	-	-	3,739.39	6,500.00	-	-	3,739.39	6,500.00
AG	-	-	382.97	447.20	-	-	382.97	447.20
Sub Total	**-**	**-**	**8,297.22**	**13,274.13**	**-**	**-**	**8,297.22**	**13,274.13**
Reimbursement of Expenses paid								
RHS	-	-	3,643.74	3,690.91	-	-	3,643.74	3,690.91
Sub Total	**-**	**-**	**3,643.74**	**3,690.91**	**-**	**-**	**3,643.74**	**3,690.91**
Director Sitting Fees								
JM	-	-	4.00	16.00	-	-	4.00	16.00
AK	-	-	-	8.00	-	-	-	8.00
DK	-	-	6.00	12.00	-	-	6.00	12.00
JT	-	-	10.00	18.00	-	-	10.00	18.00
RJ	-	-	12.00	22.00	-	-	12.00	22.00
SC	-	-	-	10.00	-	-	-	10.00
ANJ	-	-	2.00	22.00	-	-	2.00	22.00
VU	-	-	8.00	44.50	-	-	8.00	44.50
Sub Total	**-**	**-**	**42.00**	**152.50**	**-**	**-**	**42.00**	**152.50**
Rent Paid								
AAAHT	-	-	-	-	401.58	445.19	401.58	445.19
Sub Total	**-**	**-**	**-**	**-**	**401.58**	**445.19**	**401.58**	**445.19**
Interest Expenses								
AAMPL	-	-	-	-	-	12,821.03	-	12,821.03
ADMPL	-	-	-	-	-	1,943.31	-	1,943.31
MMMCPL	-	-	-	-	25,883.85	7,781.82	25,883.85	7,781.82
RHS	-	-	3,273.75	3,282.72	-	-	3,273.75	3,282.72

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

Particulars	Subsidiaries		KMP		Enterprises Over which KMPs / Their Relatives Exercise Significant Influence or Control		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Sub Total	**-**	**-**	**3,273.75**	**3,282.72**	**25,883.85**	**22,546.16**	**29,157.60**	**25,828.88**
Professional Fees Paid								
AZB	-	-	-	-	294.68	134.25	294.68	134.25
FRL	-	-	-	-	91.89	77.17	91.89	77.17
Sub Total	**-**	**-**	**-**	**-**	**386.57**	**211.42**	**386.57**	**211.42**
Loan Taken								
MMMCPL	-	-	-	-	10,450.00	286,931.12	10,450.00	286,931.12
Sub Total	**-**	**-**	**-**	**-**	**10,450.00**	**286,931.12**	**10,450.00**	**286,931.12**
Sale of Goods								
Magdev	4,657.31	8,039.39	-	-	-	-	4,657.31	8,039.39
Sub Total	**4,657.31**	**8,039.39**	**-**	**-**	**-**	**-**	**4,657.31**	**8,039.39**
Advance received from Customer								
Magdev	508.33	5,765.21	-	-	-	-	508.33	5,765.21
Sub Total	**508.33**	**5,765.21**	**-**	**-**	**-**	**-**	**508.33**	**5,765.21**
Loan Repaid								
AAMPL	-	-	-	-	-	213,100.00	-	213,100.00
ADMPL	-	-	-	-	-	32,300.00	-	32,300.00
MMMCPL	-	-	-	-	-	31.12	-	31.12
Sub Total	**-**	**-**	**-**	**-**	**-**	**245,431.12**	**-**	**245,431.12**
Interest on Loan Repaid								
AAMPL	-	-	-	-	-	38,067.47	-	38,067.47
ADMPL	-	-	-	-	-	3,463.65	-	3,463.65
Sub Total	**-**	**-**	**-**	**-**	**-**	**41,531.12**	**-**	**41,531.12**

(c) Outstanding balance as at March 31, 2021

Particulars	Subsidiaries		KMP		Enterprises Over which KMPs / Their Relatives Exercise Significant Influence or Control		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Loan Payable								
AAMPL	-	-	-	-	7,000.00	7,000.00	7,000.00	7,000.00
ADMPL	-	-	-	-	43,000.00	43,000.00	43,000.00	43,000.00
RHS	-	-	36,375.00	36,375.00	-	-	36,375.00	36,375.00
MMMCPL	-	-	-	-	297,350.00	286,900.00	297,350.00	286,900.00
ATCPL	-	-	-	-	43,000.00	43,000.00	43,000.00	43,000.00
Sub Total	**-**	**-**	**36,375.00**	**36,375.00**	**390,350.00**	**379,900.00**	**426,725.00**	**416,275.00**
Trade Receivables								

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(₹ in '000)

Particulars	Subsidiaries		KMP		Enterprises Over which KMPs / Their Relatives Exercise Significant Influence or Control		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Pilamec	368.49	342.62	-	-	-	-	368.49	342.62
Sub Total	**368.49**	**342.62**	**-**	**-**	**-**	**-**	**368.49**	**342.62**
Trade Payables								
FRL	-	-	-	-	92.56	65.88	92.56	65.88
AAAHT	-	-	-	-	4,509.82	4,068.59	4,509.82	4,068.59
Sub Total	**-**	**-**	**-**	**-**	**4,602.38**	**4,134.47**	**4,602.38**	**4,134.47**
Interest Payable								
RHS	-	-	7,888.88	4,860.66	-	-	7,888.88	4,860.66
MMMCPL	-	-	-	-	30,946.20	7,003.64	30,946.20	7,003.64
Sub Total	**-**	**-**	**7,888.88**	**4,860.66**	**30,946.20**	**7,003.64**	**38,835.08**	**11,864.30**
Advances Received from Customer								
Magdev	31,646.38	31,138.05	-	-	-	-	31,646.38	31,138.05
Sub Total	**31,646.38**	**31,138.05**	**-**	**-**	**-**	**-**	**31,646.38**	**31,138.05**
Remuneration Payable								
RHS	-	-	1,670.31	660.92	-	-	1,670.31	660.92
AS	-	-	410.39	2,025.70	-	-	410.39	2,025.70
AG	-	-	71.82	148.62	-	-	71.82	148.62
Sub Total	**-**	**-**	**2,152.52**	**2,835.24**	**-**	**-**	**2,152.52**	**2,835.24**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

37 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into credit risk, capital risk, liquidity risk, and market risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(a) Credit risk

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

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business;

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

Trade receivables:

i) The ageing of trade receivables and expected credit loss analysis on these trade receivables is given in below table:

Particulars	March 31, 2021	March 31, 2020
0-180 days	196,473.65	222,588.77
More than 180 days	66,492.17	33,120.10
Total	**262,965.82**	**255,708.87**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

ii) The expected credit loss analysis on these receivables is given in below table:

Particulars	March 31, 2021	March 31, 2020
Opening provision for the year	6,141.22	2,718.29
Add: Provision for expected credit loss	8,988.37	4,119.38
Add: Bad debts recovered	-	1,832.70
Less: Bad debts	-	(696.46)
Less: Reversal of expected credit loss	(264.18)	(1,832.70)
Closing provision for the year	**14,865.41**	**6,141.22**

(b) Capital risk

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 17 & 21, and offset by investments and cash & bank balances as detailed in notes 6, 12 & 13) and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through long-term and short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:

Particulars	March 31, 2021	March 31, 2020
Total equity	192,193.45	279,743.96
Current borrowings	466,493.94	457,343.18
Non-current borrowings	38,070.35	115,190.03
Current maturities of non-current borrowings	105,834.89	16,000.00
Total debt	**610,399.18**	**588,533.21**
Current investments	6,574.16	23,514.86
Cash and cash equivalents	1,407.93	1,070.74
Other bank balances	6,184.22	8,626.80
Net debt	**596,232.87**	**555,320.81**
Debt equity ratio	**3.10**	**1.99**

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(₹ in '000)

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The table below summarizes the maturity profile of the Company's financial liabilities:

Maturities of financial liabilities as at March 31, 2021	Carrying Value	Upto 1 year	1 to 5 years	5 years & above
Borrowings	610,399.18	572,328.83	38,070.35	-
Trade payables	142,083.35	142,083.35	-	-
Other financial liabilities	70,777.63	70,777.63	-	-
	823,260.16	**785,189.81**	**38,070.35**	**-**

Maturities of financial liabilities as at March 31, 2020	Carrying Value	Upto 1 year	1 to 5 years	5 years & above
Borrowings	588,533.21	473,343.18	115,190.03	-
Trade payables	117,673.52	117,673.52	-	-
Other financial liabilities	54,266.69	54,266.69	-	-
	760,473.42	**645,283.39**	**115,190.03**	**-**

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

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

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's profit for the year would decrease / increase by amount as stated below.

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(₹ in '000)

Particulars	Financial Liabilities	Change in Interest rate	Impact on Profit or Loss before tax for the year	
			Increase by 1%	Decrease by 1%
March 31, 2021	517,399.18	1%	(5,173.99)	5,173.99
March 31, 2020	507,073.74	1%	(5,070.74)	5,070.74

(ii) Other price risks

The Company is not significantly exposed to equity price risks / other price risks.

38 Unhedged foreign currency (FC) exposure

The Foreign currency exposures that are not hedged by a derivative instrument or otherwise as at year end are given below:

Particulars	March 31, 2021		March 31, 2020	
	Foreign currency	₹	Foreign currency	₹
Trade receivable				
– Hedged	-	-	-	-
– Unhedged				
– USD	20,853.59	1,525.78	34,129.07	2,572.22
– GBP	38,207.33	3,857.29	81,382.23	7,639.26
– EURO	3,487.64	299.67	9,673.64	803.71
	62,548.56	**5,682.74**	**125,184.94**	**11,015.19**
Trade payable				
– Hedged	-	-	-	-
– Unhedged				
– USD	65,058.91	4,760.11	212,777.02	16,036.47
	65,058.91	**4,760.11**	**212,777.02**	**16,036.47**

Of the above, the Company is exposed to USD, GBP & EURO. Hence the following table analyses the Company's sensitivity to a 5% increase and a 5% decrease in the exchange rates of this currency against INR.

Particulars	Foreign exposure (net)	Change in interest rate	Impact on profit or Loss	
			Increase by 5%	Decrease by 5%
March 31, 2021	922.63	5%	46.13	(46.13)
March 31, 2020	(5,021.28)	5%	(251.06)	251.06

The Company is exposed to currency risk arising from its trade exposures and capital receipt / payments denominated, in other than the functional currency. The Company has a detailed policy which includes setting of the recognition parameters, benchmark targets, the boundaries within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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(₹ in '000)

The Company has defined strategies for addressing the risks for each category of exposures (e.g. for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

39 Disclosure under Ind as - 115 Revenue from contracts with customers

Disaggregate revenue information

Set out below is the disaggregation of the Company revenue from contracts with customers and reconciliation to the statement of profit and loss:

Particulars		March 31, 2021	March 31, 2020
(a)	**Type of product**		
	Sale of Magnets	297,667.42	417,429.40
	Sale of coil windings	30,787.32	67,089.75
	Sale of Powder	7,944.87	18,220.00
	Sale of Woven Tape	83,766.70	85,921.27
	Sale of Woven Label	154,993.06	175,600.07
	Sale of Fabric Printed Label	111,600.91	119,675.23
	Sale of Crochet Tape (Trading)	3,743.42	7,296.87
	Sale of Heat Transfer Labels (Trading)	8,317.79	2,618.91
	Sale of Tags & Stickers (Trading)	6,801.92	7,543.58
	Others	4,004.51	6,982.00
		709,627.92	**908,377.08**
(b)	**Geographical Market**		
	India	692,956.93	877,367.02
	Outside India	16,670.99	31,010.06
		709,627.92	**908,377.08**
(c)	**Timing of revenue recognition**		
	Performance obligation satisfied at a point in time	709,627.92	908,377.08
	Performance obligation satisfied over time	-	-
		709,627.92	**908,377.08**
(d)	**Contract balances**		
	Trade receivables	262,965.82	255,708.86
	Contract assets	-	-
	Contract liabilities	32,603.24	32,230.45

(e) Trade receivable are presented net of impairment in the balance sheet. In 2021, provision for expected credit loss recognised on trade receivable was INR 14,865.41 ('000) and [previous year ₹ 6,141.22 ('000)]

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(₹ in ‘000)

(f)	Significant changes in contract liability during the year are as follows:	March 31, 2021	March 31, 2020
	Movement in contract liabilities		
	Contract liabilities at the beginning of the year	32,230.45	29,238.93
	Increase due to cash received nd decrease as a result of changes in the measure of progress, change in estimate	5,519.75	32,230.45
	Changes due to reclassification from deferred income	(5,146.96)	(29,238.93)
	Contract liabilities at the end of the year	**32,603.24**	**32,230.45**

40 Corporate social responsibility (CSR) expenditure

(a) Gross amount required to be spent by the Company during the year ended March 31, 2021 INR NIL (‘000) [Previous year ended March 31, 2020 INR NIL (‘000)]

(b) Amount spent during the year ended

Particulars	March 31, 2021		March 31, 2020	
	In Cash*	Yet to be paid in Cash	In Cash*	Yet to be paid in Cash
i) Construction / Acquisition of any assets	-	-	-	-
ii) Purposes other than (i) above	-	-	-	-
	-	**-**	**-**	**-**

*Represents actual outflow during the year

(c) Related party transactions in relation to Corporate Social Responsibility : NIL

(d) Provision movement during the year

Particulars	March 31, 2021	March 31, 2020
Opening provision	1,049.00	3,751.00
Addition during the year	-	-
Utilised during the year	-	(2,702.00)
Closing provision	**1,049.00**	**1,049.00**

41 Acquisitions during previous year

(a) Merger information

The Scheme of Arrangement (‘the Scheme’); presented under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the rules prescribed thereunder, for the business combination of Arrow Textiles Limited (‘ATL’) & MMG India Private Limited (MMG) with the Company was approved by the Hon’ble National Company Law Tribunal vide its order dated December 27, 2019 (“”the NCLT Order””). The Certified copy of the NCLT order was filed with Registrar of Companies on January 20, 2020. Consequently, the Scheme became operative from January 20, 2020 and effective from October 01, 2018 i.e. appointed date.

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(₹ in '000)

The said business combination has been accounted under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103 'Business Combination' and the previously issued financial statements of the Company for the year ended March 31, 2019 have been restated to give effect to the Scheme. All the assets and liabilities of the Arrow Textiles Limited & MMG India Private Limited have been transferred to and vested in the Company at it's carrying value w.e.f. October 01, 2018 and the amount of INR 208,486.14 ('000) is recorded as Capital Reserve on account of the Scheme.

Further, in terms of the Scheme, during the year, 4,380,106 ordinary (equity) shares of INR 10 each in the Company have been issued and allotted as fully paid up to the shareholders of ATL, in the ratio of 23 ordinary (equity) shares of INR 10 each fully paid-up in the capital of the Company for every 100 fully paid-up equity shares of INR 10 each held in ATL. The same is presented as "Share Pending Issuance" under "Equity" as at October 01, 2018 and March 31, 2019. Consequently, an amount of INR 146,638.33 ('000) lakhs representing difference between the consideration paid and value of net identifiable assets acquired, has been recorded as a Capital Reserve in the Standalone Financial Statements as at October 01, 2018.

The Company holds 100% equity of MMG India Private Limted. Further, in terms of the scheme, the equity of MMG India will get cancelled and there will not be any issue and allotment of equity of the Company. Consequently, an amount of INR 61,847.81 ('000) lakhs representing difference between the investment in equity which was cancelled and value of net identifiable assets acquired, has been recorded as a Capital Reserve in the Standalone Financial Statements as at October 01, 2018.

Pursuant to the business combination of Arrow Textiles Limited ('ATL') & MMG India Private Limited (MMG) with the Company with effect from October 01, 2018, the profit attributable to the equity shareholders for the comparative year has been restated to include the figures of ATL & MMG. Accordingly, as per the requirement of the Ind AS 33 'Earnings per Share', the Basic and Diluted earnings per share of the comparative year has been restated taking into consideration the equity shares issued to the shareholders of ATL. Further the current tax and deferred tax amounts in the comparative year have been restated owing to the said business combination.

(b) Details of purchase consideration, assets and liabilities acquired are as follows:

Particulars	ATL	MMG
(i) Assets acquired on October 01, 2018		
Non-current assets		
Property, plant and equipment	150,073.68	147,081.21
Intangible assets	933.61	1,048.43
Financial assets		
Other financial assets	2,735.56	883.45
Deferred tax asset (net)	-	9,340.44
Non-current tax assets (net)	3,760.83	2,538.90
Other non-current assets	-	1,846.64

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(₹ in '000)

Particulars	ATL	MMG
Current assets		
Inventories	63,656.95	59,365.67
Financial assets		
Trade receivables	110,056.27	105,147.54
Cash and cash equivalents	64,158.31	1,398.37
Bank balances other than cash and cash equivalent	1,982.80	2,234.97
Other financial assets	598.58	510.17
Other current assets	7,782.08	32,043.56
Assets classified as held for sale	-	23,640.54
Total Assets acquired (i)	**405,738.67**	**387,079.89**
(ii) Liabilities assumed on October 01, 2018		
Equity		
Other equity	134,018.38	(231,630.94)
Non-current liabilities		
Financial liabilities		
Borrowings	11,957.90	139.46
Deferred tax liabilities (net)	817.62	-
Provisions	-	3,923.57
Other non current liabilities	3,469.58	-
Current liabilities		
Financial liabilities		
Borrowings	-	241,007.78
Trade payables	18,727.47	44,001.04
Other current financial liabilities	23,802.68	35,711.73
Provisions	7,635.83	2,238.65
Other current liabilities	13,199.66	136,769.09
Current income tax liabilities (net)	1,670.16	-
Total Liabilities assumed (ii)	**215,299.28**	**232,160.38**
Net Assets acquired (i-ii)	**190,439.39**	**154,919.51**
Less: Investment in equity cancelled	-	93,071.70
Less: Shares issued	43,801.06	-
Net assets acquired transferred to capital reserve	**146,638.33**	**61,847.81**

(c) Acquisition related cost

Acquisition cost of INR 52.32 ('000) [March 31, 2020 - INR 3,037.00 ('000)] are included in other expenses in profit or loss and in operating cash flows in statement of cash flows.

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42 Leases

Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of INR 5,110.43 ('000) and a lease liability of INR 5,904.32 ('000). The cumulative effect of applying the standard, amounting to INR 793.89 ('000) was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is a summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
5. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 01, 2019 is 10.50%

(a) Right-of-use assets

The movement in Right-of-use assets has been disclosed in Note 4

(b) Lease Liabilities

Movement in Lease Liabilities as from April 01, 2020:

Particulars	March 31, 2021	March 31, 2020
Balance as at April 01	4,038.65	5,904.32
Additions on account of New Leases	-	–
Accretion of Interest	313.07	533.79
Payments made	(2,234.08)	(2,399.46)
Early Termination of Lease	-	–
Change on account of Remeasurement	(269.03)	–
Closing Balance as at March 31	**1,848.61**	**4,038.65**
Current	327.41	320.62
Non-current	1,521.20	3,718.03
Closing Balance as at March 31	**1,848.61**	**4,038.65**

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(₹ in '000)

(c) Rent expenses recorded for short term leases was INR 990.53 ('000) [March 31, 2020 INR 1,641.05 ('000)] for the year ended March 31, 2021

(d) The total cash out flows for leases are INR 3,224.61 ('000) [March 31, 2020 INR 4,050.51 ('000)] in the year, including the payments relating to short term and low value leases.

(e) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

Particulars	March 31, 2021	March 31, 2020
Less than one year	671.29	2,234.08
One to five years	1,296.00	1,793.64
More than five years	837.00	837.00

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

43 The Company has considered internal and external sources of information, economic forecasts and industry reports, up to the date of approval of the financial statements, in determining the impact of COVID 19 pandemic on various elements of its business operations and financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Company expects to recover the carrying amount of its current and non-current assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements depending on how long the pandemic lasts and time period taken for the economic activities to return to normalcy.

44 Fair Value Disclosures

a) Categories of financial instruments:

Particulars	March 31, 2021			March 31, 2020		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
Other financial assets - non current	-	-	10,493.15	-	-	8,937.00
Investments	6,574.16	-	-	23,514.86	-	-
Trade receivables	-	-	262,965.82	-	-	255,708.86
Cash and cash equivalents	-	-	1,407.93	-	-	1,070.74
Bank balances other than cash and cash equivalent	-	-	6,184.22	-	-	8,626.80
Other financial assets - current	-	-	1,971.85	-	-	2,784.51
	6,574.16	**-**	**283,022.97**	**23,514.86**	**-**	**277,127.91**
Financial liabilities						
Borrowings - non current	-	-	38,070.35	-	-	115,190.03
Borrowings - current	-	-	466,493.94	-	-	457,343.18

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Particulars	March 31, 2021			March 31, 2020		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Trade payables	-	-	142,083.35	-	-	117,673.52
Other financial liabilities	-	-	176,612.52	-	-	70,266.69
	-	**-**	**823,260.16**	**-**	**-**	**760,473.42**

(b) Fair value hierarchy and method of valuation

Except as detailed in the following table, the Company considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Input other than quoted prices included within level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of other financials assets and financial liabilities are approximate to their carrying values.

The following table presents fair value of assets and liabilites measured at fair value on recurring basis of March 31, 2021 and March 31, 2020.

Financial Assets	March 31, 2021				
	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL					
- Investment in Mutual Fund	6,574.16	6,574.16	-	-	**6,574.16**

Financial Assets	March 31, 2020				
	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL					
- Investment in Mutual Fund	23,514.86	23,514.86	-	-	**23,514.86**

As Per Our Report of Even Date

For M H S & Associates
Chartered Accountants
Firm Registration No. : 141079W

Mayur H. Shah
Partner
Membership No: 147928

Place : Mumbai
Mumbai: May 28, 2021

For and on behalf of the Board of Directors

Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited')
(CIN: L32109MH1982PLC028280)

Jaydev Mody
Chairman
DIN:00234797

Dr. Ram H. Shroff
Managing Director
DIN:00004865

Rajesh Jaggi
Director
DIN:00046853

Abhilash Sunny
Chief Financial Officer

Anannya Godbole
Company Secretary (ACS No. 23112)

Place : Mumbai
Mumbai: May 28, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited')

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited') ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group as at 31 March 2021, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – COVID-19 Impact

4. We draw attention to Note 43 to the accompanying consolidated audited financial statements with regard to management's evaluation of uncertainty due to the outbreak of COVID-19 and its impact on future operations of the Group. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
1) Revenue Recognition (Refer note 2.10 for the accounting policy on revenue recognition, note 23 of the consolidated financial statements for revenue recognized during the year and note 39 for disaggregate revenue information under Ind AS 115) Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	**Our audit procedures included, but were not limited, to the following:** • Obtained and updated our understanding of the revenue business process. • Evaluated the design and tested the operating effectiveness of key controls over the recognition and measurement of revenue. • Around dispatches/deliveries, inventory reconciliations and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures. • Evaluated the appropriateness of disclosures made in the financial statements with respect to revenue recognized during the year as required by applicable accounting standards.

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

7. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

   When we read the Annual 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 Consolidated Financial Statements

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding 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 consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors / management of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and

maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 ability of the Group 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 Group to cease to continue as a going concern; and

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. 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.

14. 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.

15. 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.

Other Matter

16. We did not audit the consolidated financial statements of 1 foreign subsidiary, whose consolidated financial statements reflects total assets of Rs. 348,689.17 ('000) and net assets of Rs. 224,112.81 ('000) as at 31 March 2021, total revenues of Rs. 334,667.76 ('000) and net cash outflows amounting to Rs. 2,699.08 ('000) for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, are based solely on the reports of the other auditors. Further this subsidiary is located outside India whose annual financial statements have been prepared in accordance with accounting principles generally accepted in their country and which has been audited by other auditors under United Kingdom Standards on Auditing's applicable in their country. The Holding Company's management has converted the annual consolidated financial statements of such subsidiary from accounting principles generally accepted in their country to accounting principles generally accepted In India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based on the audit report of other auditor and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries, we report that the Holding Company covered under the Act paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that no subsidiary companies covered under the Act.

18. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors,

    c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies covered under the Act, none of the other directors of the Group companies covered under the Act, are disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II';

g) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 32 to the consolidated financial statements;

   ii. The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021; and

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2020. Further there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies covered under the Act, during the year ended March 31, 2021;

For M H S & Associates

Chartered Accountants
Firm's Registration No.: 141079W

Mayur H. Shah
Partner
Membership No.: 147928

UDIN: 21147928AAAABQ2081

Place: Mumbai

Date: 28 May 2021

ANNEXURE 1

List of entities included in the Statement

S. No.	Particulars
	Subsidiaries (including step down Subsidiaries)
1	Magdev Limited, UK
2	Pilamec Limited, UK

Annexure II to the Independent Auditor's Report of even date to the members of Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited') on the consolidated financial statements for the year ended March 31, 2021

ANNEXURE II

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited') ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Group companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (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 the Company's business, including adherence to the 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company as covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note over Financial Reporting issued by the ICAI.

For M H S & Associates
Chartered Accountants
Firm's Registration No.: 141079W

Mayur H. Shah
Partner
Membership No.: 147928

UDIN: 21147928AAAABQ2081

Place: Mumbai
Date: 28 May 2021

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2021

(₹ in '000)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	4	5,59,097.01	5,97,380.54
Capital work-in-progress		5.00	-
Goodwill on consolidation	5	37,257.01	37,257.01
Intangible assets	5	1,367.57	2,267.22
Financial assets			
Other financial assets	6	10,493.15	8,937.00
Deferred tax assets (net)	31	25,291.24	-
Non-current tax assets (net)	7	12,047.54	11,994.58
Other non-current assets	8	2,240.45	2,386.87
Total non-current assets		**6,47,798.98**	**6,60,223.22**
Current assets			
Inventories	9	2,34,526.91	2,23,748.95
Financial assets			
Investments	10	6,574.16	23,514.86
Trade receivables	11	3,45,258.74	3,32,974.04
Cash and cash equivalents	12	34,565.72	25,465.75
Bank balances other than cash and cash equivalents	13	6,184.22	8,626.80
Other financial assets	6	1,971.85	2,784.51
Other current assets	8	56,827.31	68,881.29
Assets classified as held for sale	14	31,858.27	23,640.54
Total current assets		**7,17,767.18**	**7,09,636.74**
Total assets		**13,65,566.16**	**13,69,859.96**
Equity and liabilities			
Equity			
Equity share capital	15	1,08,511.20	1,08,511.20
Other equity	16	2,59,382.26	3,18,932.36
Total equity		**3,67,893.46**	**4,27,443.56**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	73,288.37	1,15,190.03
Deferred tax liabilities (net)	31	-	5,151.82
Provisions	18	11,633.69	10,856.64
Other non current liabilities	19	13,108.92	19,333.11
Total non-current liabilities		**98,030.98**	**1,50,531.60**
Current liabilities			
Financial liabilities			
Borrowings	17	4,66,493.94	4,57,343.18
Trade payables	20		
- total outstanding dues of micro enterprises and small enterprises; and		10,722.95	15,040.30
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,83,669.26	1,63,979.77
Other financial liabilities	21	1,81,047.81	1,05,582.10
Provisions	18	15,988.16	12,493.54
Other current liabilities	19	37,965.98	34,926.30
Current income tax liabilities (net)	22	3,753.62	2,519.61
Total current liabilities		**8,99,641.72**	**7,91,884.80**
Total liabilities		**9,97,672.69**	**9,42,416.40**
Total equity and liabilities		**13,65,566.16**	**13,69,859.96**
Summary of significant accounting policies	2		

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

For M H S & Associates
Chartered Accountants
Firm Registration No.: 141079W

Mayur H. Shah
Partner
Membership No: 147928
Mumbai: May 28, 2021

For and on behalf of the Board of Directors of
Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited') (CIN: L32109MH1982PLC028280)

Jaydev Mody
Chairman
DIN:00234797

Dr. Ram H. Shroff
Managing Director
DIN:00004865

Rajesh Jaggi
Director
DIN:00046853

Abhilash Sunny
Chief Financial Officer
Mumbai: May 28, 2021

Anannya Godbole
Company Secretary (ACS No. 23112)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	23	10,39,638.37	12,40,216.71
Other income	24	5,173.64	9,066.16
Total income		**10,44,812.01**	**12,49,282.87**
Expenses			
Cost of material consumed	25	2,42,359.64	2,72,344.07
Purchase of stock-in-trade	26	2,17,729.26	2,97,004.99
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(13,234.17)	(20,562.14)
Employee benefits expense	28	2,98,403.77	3,48,623.08
Finance costs	29	67,594.21	61,163.63
Depreciation and amortization expense	4 & 5	57,847.18	66,472.33
Other expenses	30	2,68,185.45	3,44,471.40
Total expenses		**11,38,885.34**	**13,69,517.36**
Profit / (loss) before tax		**(94,073.33)**	**(1,20,234.49)**
Income tax expense	31		
a) Current Tax			
- For the year		3,691.96	1,121.70
- For the prior period		18.06	(71.34)
b) Deferred tax (including MAT credit)		(30,636.35)	1,788.82
Total income tax expense		**(26,926.33)**	**2,839.18**
Profit / (loss) for the year		**(67,147.00)**	**(123,073.67)**
Other comprehensive income			
a) Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (losses) on defined benefit plans		(36.42)	131.93
b) Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Foreign currency translation reserve		7,633.32	10,813.07
c) Income tax effect on above		-	-
Other comprehensive income for the year		**7,596.90**	**10,945.00**
Total comprehensive income for the year		**(59,550.10)**	**(1,12,128.67)**
Earnings per share (face value INR 10/- each)			
Basic earnings per share (INR)		(6.19)	(11.34)
Diluted earnings per share (INR)		(6.19)	(11.34)

Summary of significant accounting policies 2

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

For M H S & Associates
Chartered Accountants
Firm Registration No.: 141079W

Mayur H. Shah
Partner
Membership No: 147928

Mumbai: May 28, 2021

For and on behalf of the Board of Directors of
Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited') (CIN: L32109MH1982PLC028280)

Jaydev Mody
Chairman
DIN:00234797

Dr. Ram H. Shroff
Managing Director
DIN:00004865

Rajesh Jaggi
Director
DIN:00046853

Abhilash Sunny
Chief Financial Officer

Anannya Godbole
Company Secretary (ACS No. 23112)

Mumbai: May 28, 2021

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities		
Profit / (loss) before tax	(94,073.33)	(1,20,234.49)
Adjustments for:	-	
Depreciation and amortization expenses	57,847.18	66,472.33
Finance costs	67,594.21	61,163.63
Interest income	(811.52)	(1,730.48)
Provision for doubtful debts	9,069.87	2,574.17
Sundry balances written back / (written off)	(1,849.69)	(1,513.23)
Gain on Investments in mutual fund	(559.29)	(1,846.55)
Provision for employee benefits	8,575.12	6,029.28
Unrealised foreign exchange translation (gain)/loss	857.57	1,053.90
Profit / (loss) on sale of assets	(18.48)	8.83
Foreign currency translation reserve	8,947.76	10,813.07
Actuarial (gain) / loss on Gratuity	(36.42)	131.93
Operating profit / (loss) before working capital changes	**55,542.99**	**22,922.39**
Changes in working capital		
Increase / (decrease) in inventories	(10,777.96)	(29,346.58)
Increase / (decrease) in trade receivables	(21,587.14)	6,417.04
Increase / (decrease) in other current assets	13,683.27	(7,073.16)
Increase / (decrease) in other non - current assets	(391.91)	(350.06)
Increase / (decrease) in other non - current financial assets	(62.09)	(253.20)
Increase / (decrease) in other current financial assets	89.62	26.45
Decrease/ (increase) in other non - current liabilities	(833.29)	(833.29)
Decrease/ (increase) in other current liabilities	1,029.57	(13,779.44)
Decrease/ (increase) in other current financial liabilities	(10,232.44)	6,025.33
Decrease/ (increase) in trade payables	14,734.97	25,696.94
Decrease/ (Increase) in provisions	(4,303.46)	(7,422.60)
Cash generated from / (used in) operations	**36,892.12**	**2,029.82**
Income tax paid (net)	(2,335.69)	(2,363.76)
Net cash flows generated from / (used in) operating activities (A)	**34,556.43**	**(333.94)**
Cash flow from Investing activities		
Payment for property, plant and equipment and intangible assets (net)	(18,740.10)	(35,940.23)
Proceeds from sale of property, plant and equipment & intangible assets	111.15	0.16
Increase / (decrease) in non current assets held for sale	(8,217.73)	-
Advance proceeds against sale of property	2,136.50	-
Proceeds from sale of investment (net)	17,499.99	43,000.00
In fixed deposit with maturity for more than 12 months	(1,494.06)	-
Bank balances other than cash and cash equivalent	2,442.58	(1,296.82)
Interest received	1,534.56	808.58

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net cash flow generated from / (used in) investing activities (B)	**(4,727.11)**	**6,571.69**
Cash flow from Financing activities		
Proceeds from non - current borrowings (net)	16,102.64	(5,149.88)
Proceeds from current borrowings (net)	9,150.76	62,108.51
Repayment of lease liabilities	(7,208.36)	(5,507.89)
Dividend paid	172.73	(26.47)
Interest paid	(38,947.13)	(77,257.20)
Net cash flow generated from / (used in) financing activities (C)	**(20,729.36)**	**(25,832.93)**
Net increase in cash and cash equivalents (A+B+C)	9,099.96	(19,595.18)
Cash and cash equivalents at the beginning of the year	25,465.75	45,060.93
Cash and cash equivalents at the end of the year	**34,565.71**	**25,465.75**
Cash and cash equivalents comprise (Refer note 12)		
Balances with banks		
On current accounts	34,298.17	25,221.18
Cash on hand	267.55	244.57
Total Cash and cash equivalents at end of the year	**34,565.72**	**25,465.75**

Summary of significant accounting policies (Refer Note 2)

Notes :

a) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Statement of Cash Flow.

b) Figures in bracket indicate cash outflow.

c) Reconciliation of financing activities

Particulars	As at March 31, 2020	Cash flow	Non cash adjustment Accrual of interest / unrealised forex loss	As at March 31, 2021
Non - current borrowings	1,15,190.03	39,557.81	(81,459.47)	73,288.37
Current maturities of non - current borrowings	51,304.27	(34,995.70)	93,000.00	1,09,308.57
Current borrowings	4,57,343.18	9,150.76	-	4,66,493.94

For and on behalf of the Board of Directors of
Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited') (CIN: L32109MH1982PLC028280)

For M H S & Associates
Chartered Accountants
Firm Registration No.: 141079W

Mayur H. Shah
Partner
Membership No: 147928

Mumbai: May 28, 2021

Jaydev Mody
Chairman
DIN:00234797

Dr. Ram H. Shroff
Managing Director
DIN:00004865

Rajesh Jaggi
Director
DIN:00046853

Abhilash Sunny
Chief Financial Officer

Anannya Godbole
Company Secretary (ACS No. 23112)

Mumbai: May 28, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

A. Equity share capital

(₹ in '000)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Issued, subscribed and fully paid-up				
Equity shares of INR 10/- each				
Opening	1,08,51,120	1,08,511.20	64,71,014	64,710.14
Add: Issued during the year	-	-	43,80,106	43,801.06
Less: Buy-back during the year	-	-	-	-
Equity share capital	**1,08,51,120**	**1,08,511.20**	**1,08,51,120**	**1,08,511.20**

B. Other equity

(₹ in '000)

Particulars	Reserves and surplus				Other comprehensive income	Total
	Securities premium	Capital reserve on business combination	Equity component on interest free loan	Retained earnings		
Balance as at April 01, 2019	**1,07,126.58**	**2,08,486.14**	**74,836.91**	**46,547.62**	**(4,638.24)**	**4,32,359.01**
Profit / (loss) for the year	-	-	-	(1,23,073.67)	-	(1,23,073.67)
Other comprehensive income / (loss)	-	-	-	131.93	10,813.07	10,945.00
Total comprehensive income for the year	**-**	**-**	**-**	**(1,22,941.74)**	**10,813.07**	**(1,12,128.66)**
Add : Addition during the year	-	-	-	-	-	-
Add : Addition during the year on account of Business Combination	-	-	-	(1,297.98)	-	(1,297.98)
Less : Utilisation during the year	-	-	-	-	-	-
Balance as at March 31, 2020	**1,07,126.58**	**2,08,486.14**	**74,836.91**	**(77,692.10)**	**6,174.83**	**3,18,932.36**
Balance as at April 01, 2020	**1,07,126.58**	**2,08,486.14**	**74,836.91**	**(77,692.10)**	**6,174.83**	**3,18,932.36**
Profit / (loss) for the year	-	-	-	(67,147.00)	-	(67,147.00)
Other comprehensive income / (loss)	-	-	-	(36.42)	7,633.32	7,596.90
Total comprehensive income for the year	-		-	**(67,183.42)**	**7,633.32**	**(59,550.10)**
Add : Addition during the year	-	-	-	-	-	-
Less : Utilisation during the year	-	-	-	-	-	-
Balance as at March 31, 2021	**1,07,126.58**	**2,08,486.14**	**74,836.91**	**(1,44,875.52)**	**13,808.15**	**2,59,382.26**

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

For M H S & Associates
Chartered Accountants
Firm Registration No.: 141079W

Mayur H. Shah
Partner
Membership No: 147928

Mumbai: May 28, 2021

For and on behalf of the Board of Directors of
Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited') (CIN: L32109MH1982PLC028280)

Jaydev Mody
Chairman
DIN:00234797

Dr. Ram H. Shroff
Managing Director
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Rajesh Jaggi
Director
DIN:00046853

Abhilash Sunny
Chief Financial Officer

Anannya Godbole
Company Secretary (ACS No. 23112)

Mumbai: May 28, 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021 (₹ in ‘000)

1 General information

Delta Manufacturing Limited (Formerly known as ‘Delta Magnets Limited’) (“the Company”) is a Company incorporated on September 23, 1982 under the provision of the Companies Act applicable in India. The Company is incorporated and domiciled and having principal place of business in India. The registered office is at B-87, MIDC, Ambad, Nashik, Maharashtra – 422010, India. The principal business of the company is manufacturing of hard ferrites, soft ferrites, textile woven labels, fabric printed labels and elastic / woven tape. The shares of the company is listed on the National Stock Exchange of India Limited (NSE) and on the BSE Limited (BSE).

These financial statements were authorised for issue by the Board of Directors on May 28, 2021.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

(a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the “Act”) read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below.

(c) Current / non current classification

The Company has ascertained its operating cycle as twelve months for the purpose of Current/ Non-Current classification of its Assets and Liabilities. The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021 (₹ in '000)

- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

(d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. (Refer Note 3 for detailed discussion on estimates and judgments).

(e) Rounding off of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand as per the requirement of Schedule III, unless otherwise stated.

2.2 Principle of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the company has:

- power over the investee
- is exposed, or has rights, to variables, returns from its involvements with the investee, and
- has the ability to use its power over the investee to affect its returns

The consolidated financial statements have been prepared on the following basis:

(a) Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

(b) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021 (₹ in '000)

(c) The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., year ended on March 31st.

(d) The financial statements of the Parent and its subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, equity, income, expenses and cash flows. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

(e) The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary are made, is recognised as "Goodwill" being an asset in the consolidated financial statements. Goodwill arising out of consolidation is not amortised. However, the same is tested for impairment at each Balance Sheet date. Alternatively, where the share of equity in the subsidiary companies as on the date of the investment is in excess of cost of investment of the Company, it is recognised as "Capital Reserve" and shown under the head "Reserves and Surplus", in the consolidated financial statements.

(f) Non controlling interests in the net assets of subsidiaries consists of:

- The amount of equity attributable to the minorities at the date on which investment in subsidiary is made and;
- The minorities share of movements in equity since the date the parent-subsidiary relationship came into existence.

(g) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

2.3 Business combination

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021 (₹ in '000)

on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

2.4 Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the Group's cash generating units (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combination of CGUs to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Group.

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Group recognizes an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognized in the Statement of Profit and Loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.

On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

2.5 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Spare parts are recognised when they meet the definition of property, plant and equipment, otherwise, such items are classified as inventory.

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. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in ‘000)

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under ‘Capital work-in-progress’.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Estimated useful life
Leasehold improvement*	Lease period
Factory building	30
Carpeted roads - other than RCC	5
Plant and Machinery - General	15 (On single shift)
Plant and Machinery - Continuous process plant	25
Furniture and fixtures	10
Electrical installations and equipment	10
Computers and data processing units	3
Office equipments	3 - 5
Motor cars	8
Motor cycles	10

* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property plant and equipment (as mentioned below) over estimated useful lives which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013 (Schedule III). The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

- Mobile Phones are depreciated over the estimated useful life of 3 years, which is lower than the life prescribed in Schedule II.
- Tools are depreciated over the estimated useful life of 5 years, which is lower than the life prescribed in Schedule II.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under ‘Other Income’ or ‘Other Expenses’.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021 (₹ in '000)

estimates, such change is accounted for as a change in an accounting estimate.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

2.6 Intangible assets

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

Amortisation method and periods

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful lives and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Estimated useful life
Computer Software	5

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Derecognition

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

2.7 Impairment of non-financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021 (₹ in '000)

has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

For non financial assets, an assessment is made at each reporting period end or whenever triggering event occurs as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimation of the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimations used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, or had no impairment loss been recognised for the asset in prior years.

2.8 Foreign currency transactions

(a) Functional and presentation currency

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

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

2.9 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient

(₹ in '000)

data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.

2.10 Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Revenue from sale of goods

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Revenue from sale of services

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered. The Company uses output method for measurement of revenue from home solution operations/ painting and related services and royalty income as it is based on milestone reached or units delivered. Input method is used for measurement of revenue from processing and other service as it is directly linked to the expense incurred by the Company.

Interest income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Dividend income

Dividend income on investments is recognised when the right to receive dividend is established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021 (₹ in '000)

2.11 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(c) Minimum Alternate Tax (MAT)

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.12 Assets classified as held for sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021 (₹ in '000)

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset (or disposal group) to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programmed to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

2.13 Leases Accounting

Assets taken on lease:

The Company mainly has lease arrangements for land and building for factory and plant & machinery.

The Company assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonable certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Short-term leases and leases of low-value assets:

The Company has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.14 Inventories

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

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

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

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

The comparison of cost and net realizable value is made on item by item basis.

2.15 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021 (₹ in '000)

an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

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.

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

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

2.16 Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.17 Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

2.18 Financial instruments

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

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition

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of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

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(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

(₹ in '000)

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

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

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.19 Employee benefits

(a) Short-term obligations

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

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employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Contribution towards the fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

2.20 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.21 Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

2.22 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) of the Parent Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

2.24 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized 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.

3 Significant accounting judgments, estimates and assumptions

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

3.1 Estimates and assumptions

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

(a) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(b) Defined benefit plans and other long term benefits (gratuity benefits and leave encashment)

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

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 33.

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(₹ in '000)

4 Property, plant and equipment

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Machinary	Furniture and Fixtures	Electrical Installa-tions	Equip-ments	Vehicles	Computers	Right of Use	Total
Gross Block											
As at April 01, 2019	26,087.40	1,43,935.20	1,24,812.48	9,84,687.91	16,522.75	4,642.91	12,147.98	7,522.28	18,277.08	-	13,38,635.99
Transition of Ind As 116	-	-	-	-	-	-		-	-	19,947.38	19,947.38
Additions during the year	-	-	1,310.07	65,648.55	134.65	14.98	465.94	-	1,128.16	5,634.21	74,336.56
Disposals during the year	-	-	-	-	-	-	(51.75)	-	(1,231.73)	-	(1,283.48)
Adjustment during the year	4,039.39	-	3,767.63	1,256.89	(490.30)	-	552.44	492.67	(8,336.80)	-	1,281.92
Foreign currency translation reserve	3,790.11	-	5,342.44	4,376.38	505.20	-	11.05	72.83	1,643.34	529.38	16,270.73
As at March 31, 2020	**33,916.90**	**1,43,935.20**	**1,35,232.62**	**10,55,969.73**	**16,672.30**	**4,657.89**	**13,125.66**	**8,087.78**	**11,480.05**	**26,110.97**	**14,49,189.10**
Additions during the year	-	-	-	10,319.65	70.11	-	133.75	-	486.98	-	11,010.49
Disposals during the year	-	-	-	-	-	-	(49.33)	(564.55)	-	(1,367.68)	(1,981.56)
Adjustment during the year	-	-	-	-	-	-	-	-	-	5,745.56	5,745.56
Foreign currency translation reserve	2,871.76		3,901.76	3,791.59	307.73	-	64.13	86.69	280.04	1,966.92	13,270.61
As at March 31, 2021	**36,788.66**	**1,43,935.20**	**1,39,134.38**	**10,70,080.97**	**17,050.14**	**4,657.89**	**13,274.21**	**7,609.92**	**12,247.06**	**32,455.77**	**14,77,234.20**
Accumulated Depreciation											
As at April 01, 2019	-	7,088.26	36,169.56	7,00,699.38	13,643.62	2,411.13	7,381.38	4,226.95	17,891.32	-	7,89,511.60
Charges for the year	-	2,309.45	3,308.77	50,114.77	516.34	704.98	1,017.35	870.16	999.22	5,685.87	65,526.91
Reverse charge on disposal	-	-	-	-	-	-	(42.75)	-	(1,037.84)	-	(1,080.59)
Adjustment during the year	-	-	672.61	4,811.04	257.09	-	344.35	826.27	(7,582.09)	-	(670.73)
Foreign currency translation reserve	-	-	(137.97)	(1,059.54)	(85.49)	-	196.98	6.42	(457.55)	58.52	(1,478.63)
As at March 31, 2020	**-**	**9,397.71**	**40,012.97**	**7,54,565.65**	**14,331.56**	**3,116.11**	**8,897.31**	**5,929.80**	**9,813.06**	**5,744.39**	**8,51,808.56**
Charges for the year	-	2,303.03	3,385.15	41,518.87	470.10	582.42	1,034.30	862.49	896.13	5,848.77	56,901.26
Reverse charge on disposal	-	-	-	-	-	-	(42.61)	(478.61)	-	(1,367.68)	(1,888.89)
Adjustment during the year	-	-	-	-	-	-	-	-	(10.46)	6,014.58	6,004.12
Foreign currency translation reserve	-	-	585.37	3,161.07	281.68	-	53.94	86.69	239.92	903.49	5,312.15
As at March 31, 2021	**-**	**11,700.74**	**43,983.49**	**7,99,245.59**	**15,083.33**	**3,698.53**	**9,942.94**	**6,400.37**	**10,938.64**	**17,143.55**	**9,18,137.19**
Net block as at March 31, 2020	**33,916.90**	**1,34,537.49**	**95,219.65**	**3,01,404.08**	**2,340.74**	**1,541.78**	**4,228.35**	**2,157.98**	**1,666.99**	**20,366.58**	**5,97,380.54**
Net block as at March 31, 2021	**36,788.66**	**1,32,234.46**	**95,150.88**	**2,70,835.38**	**1,966.81**	**959.36**	**3,331.27**	**1,209.55**	**1,308.42**	**15,312.22**	**5,59,097.01**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(₹ in '000)

5 Intangible assets

Particulars	Software	Total	Goodwill (on Consolidation) Refer note 2.4
Gross Block			
As at April 01, 2019	9,614.04	9,614.04	37,257.01
Additions during the year	789.12	789.12	-
Disposals during the year	-	-	-
Adjustment during the year	(1,469.18)	(1,469.18)	-
Foreign currency translation reserve	66.23	66.23	-
As at March 31, 2020	**9,000.21**	**9,000.21**	**37,257.01**
Additions during the year	-	-	-
Disposals during the year	-	-	-
Adjustment during the year	2,497.18	2,497.18	-
Foreign currency translation reserve	221.55	221.55	-
As at March 31, 2021	**11,718.94**	**11,718.94**	**37,257.01**
Accumulated Depreciation			
As at April 01, 2019	5,402.55	5,402.55	-
Charges for the year	945.42	945.42	-
Reverse charge on disposal	-	-	-
Adjustment during the year	367.64	367.64	-
Foreign currency translation reserve	17.38	17.38	-
As at March 31, 2020	**6,732.99**	**6,732.99**	-
Charges for the year	945.92	945.92	-
Reverse charge on disposal	-	-	-
Adjustment during the year	2,497.18	2,497.18	-
Foreign currency translation reserve	175.28	175.28	-
As at March 31, 2021	**10,351.37**	**10,351.37**	**-**
Net block as at March 31, 2020	**2,267.22**	**2,267.22**	**37,257.01**
Net block as at March 31, 2021	**1,367.57**	**1,367.57**	**37,257.01**

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(₹ in '000)

6	Other financial assets	March 31, 2021		March 31, 2020	
		Non- current	Current	Non- current	Current
	Unsecured, considered good				
	Security deposits	8,942.15	479.98	8,937.00	483.78
	In fixed deposit with maturity for more than 12 months	1,494.06	-	-	-
	Interest accrued on deposits	56.94	1,491.87	-	2,271.85
	Other receivables	-	-	-	28.88
		10,493.15	**1,971.85**	**8,937.00**	**2,784.51**

7	Non-current tax assets	March 31, 2021	March 31, 2020
	Advance income tax (net)	12,047.54	11,994.58
		12,047.54	**11,994.58**

8	Other assets	March 31, 2021		March 31, 2020	
		Non- current	Current	Non- current	Current
	Unsecured, considered good				
	Capital advances	1,292.23	-	1,830.56	-
	Balance with government authorities (other than income tax)	-	37,251.52	-	47,438.91
	Advance to creditors	-	11,184.85	-	9,555.56
	Prepaid expenses	948.22	7,137.29	556.31	10,221.54
	Advance to employees	-	1,253.65	-	1,665.28
		2,240.45	**56,827.31**	**2,386.87**	**68,881.29**

9	Inventories (valued at lower of cost and net realizable value)	March 31, 2021	March 31, 2020
	Raw material	50,924.90	51,326.77
	Work in progress	35,399.61	27,322.18
	Finished goods	44,950.39	54,003.12
	Stock in trade	75,225.89	61,016.43
	Store and spares parts (including packing material & tools)	28,026.12	30,080.45
		2,34,526.91	**2,23,748.95**

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(₹ in '000)

10	Financial assets - Non-current assets - Investments	March 31, 2021	March 31, 2020
	Investments measured at fair value through profit or loss		
	Investment in Mutual Funds		
	HDFC Overnight Fund - Growth Option	6,574.16	23,514.86
	[Unit held as on March 31, 2021 - 2,149.779 (March 31, 2020 - 7,919.814)]		
		6,574.16	**23,514.86**
	Aggregate book value of:		
	Quoted investments	6,574.16	23,514.86
	Unquoted investments	-	-
	Aggregate market value of:		
	Quoted investments	6,574.16	23,514.86
	Unquoted investments	-	-
	Aggregate amount of impairment in value of Investments		-

11	Trade receivable	March 31, 2021	March 31, 2020
	Unsecured		
	- Considered good	3,45,258.74	3,32,974.04
	- Considered doubtful	14,865.41	6,368.36
		3,60,124.15	**3,39,342.40**
	Less : Allowance for bad and doubtful debts	(14,865.41)	(6,368.36)
		3,45,258.74	**3,32,974.04**

* Includes INR NIL ('000) [previous year INR NIL ('000)] receivable from related parties (refer note no.36)

12	Cash and cash equivalents	March 31, 2021	March 31, 2020
	Cash and cash equivalents		
	Balances with banks		
	- In current accounts	34,298.17	25,221.18
	Cash on hand	267.55	244.57
		34,565.72	**25,465.75**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

13 Bank balances other than cash and cash equivalents	March 31, 2021	March 31, 2020
Margin Money with Bank	-	690.10
Unpaid Dividend Accounts	1,338.29	1,341.70
In fixed deposit with maturity for more than 3 months but less than 12 months	4,845.93	6,595.00
	6,184.22	**8,626.80**

14 Assets classified as held for sale	March 31, 2021	March 31, 2020
Immovable property situated at Chennai (including cost of improvement and other costs)	31,858.27	23,640.54
	31,858.27	**23,640.54**

15 Equity share capital	March 31, 2021		March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Authorized				
Equity shares of ₹ 10/- each	4,60,00,000	4,60,000.00	4,60,00,000	4,60,000.00
	4,60,00,000	**4,60,000.00**	**4,60,00,000**	**4,60,000.00**
Issued, subscribed and paid-up				
Equity shares of ₹ 10/- each	1,08,51,120	1,08,511.20	1,08,51,120	1,08,511.20
	1,08,51,120	**1,08,511.20**	**1,08,51,120**	**1,08,511.20**

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year	March 31, 2021		March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	1,08,51,120	1,08,511.20	1,08,51,120	1,08,511.20
Add: Issued during the year	-	-	-	-
Less: Buy-back during the year	-	-	-	-
Outstanding at the end of the year	**1,08,51,120**	**1,08,511.20**	**1,08,51,120**	**1,08,511.20**

(b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of INR 10/- per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2021, the amount of per share dividend recognized as distributions to equity shareholders was Nil (March 31, 2020: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company	March 31, 2021		March 31, 2020	
	No. of shares	% of holding in the class	No. of shares	% of holding in the class
Aarti Pandit Family Private Limited (Formerly known as Aryanish Finance & Investments Pvt Ltd)*	19,86,318	18.31%	19,86,318	18.31%
Aditi Mody Family Private Limited (Formerly known as Bayside Property Developers Private Limited)*	19,87,111	18.31%	19,87,111	18.31%
Anjali Mody Family Private Limited (Formerly known as Delta Real Estate Consultancy Private Limited)*	19,85,273	18.30%	19,85,273	18.30%
SSI Trading Private Limited	16,15,153	14.88%	16,15,153	14.88%

*Aarti Pandit Family Private Limited, Aditi Mody Family Private Limited, Anjali Mody Family Private Limited are holding Equity Shares in the capacity of trustees for Aarti J Mody Trust, Aditi J Mody Trust and Anjali J Mody Trust respectively.

(d) Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT'), had vide its Order dated December 27, 2019 approved the Scheme of Amalgamation of Arrow Textiles Limited ("First Transferor Company") and MMG India Private Limited ("Second Transferor Company") with Delta Magnets Limited ("Transferee Company") and their respective shareholders ("the Scheme) and accordingly the Transferor Companies and Pursuant to the Scheme of Amalgamation of Arrow Textiles Limited ("First Transferor Company") and MMG India Private Limited ("Second Transferor Company") with Delta Magnets Limited ("Transferee Company") and their respective shareholders ("the Scheme) as approved by Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT'), had vide its Order dated December 27, 2019, the Company had issued and allotted 4,380,106 Equity Shares of ₹ 10/- each to shareholders of Arrow Textiles Limited (First Transferor Company) on March 03, 2020. The Company had applied for listing of shares to the BSE Limited and National Stock Exchange of India Limited (the Stock Exchanges) and received the listing permission for 4,295,623 Equity Shares held in dematerialised mode on April 27, 2020 and for 84,483 Equity Shares held in physical mode on September 11, 2020.

(e) Equity Shares issued by the Company without payment being received in cash during the five years immediately preceding March 31st.

Particulars	Aggregate No. of Shares	
	March 31, 2021	March 31, 2020
Fully paid up equity shares issued as per the scheme of Business Combination approved by NCLT.	-	43,80,106

(f) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

16	Other equity	March 31, 2021	March 31, 2020
	Securities premium	1,07,126.58	1,07,126.58
	Equity component on interest free loan	74,836.91	74,836.91
	Capital reserve on business combination	2,08,486.14	2,08,486.14
	Retained earnings	(1,31,067.37)	(71,517.27)
		2,59,382.26	**3,18,932.36**

Nature and purpose of other reserves	
Securities premium	Securities premium reserve is used to record the premium on issue of shares. These reserve is utilised in accordance with the provisions of the Act.
Equity component on interest free loan	Deemed equity contribution represents difference between consideration received and present value of liability component on initial recognition (net of deferred tax).
Capital reserve on business combination	1) Capital Reserve of INR 61,847.81 ('000) was created on merger of MMG India Privated Limited, whollyowned subsidiary of the Company, with the Company as per the order passed by the National Company Law Tribunal. 2) Capital Reserve of INR 146,538.33 ('000) was created on merger of Arrow Textiles Limited, with the Company as per the order passed by the National Company Law Tribunal.
Retained earnings	Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(a)	Securities premium	March 31, 2021	March 31, 2020
	Opening balance	1,07,126.58	1,07,126.58
	Add : Securities premium credited during the year on share issue	-	-
	Less : Securities premium utilised during the year	-	-
	Closing balance	**1,07,126.58**	**1,07,126.58**

(b)	Equity component on interest free loan	March 31, 2021	March 31, 2020
	Opening balance	74,836.91	74,836.91
	Add : Addition during the year	-	-
	Less : Utilisation during the year	-	-
	Closing balance	**74,836.91**	**74,836.91**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

(c) Capital reserve on business combination	March 31, 2021	March 31, 2020
Opening balance	2,08,486.14	2,08,486.14
Add : Addition during the year on account of business combination	-	-
Less : Utilisation during the year	-	-
Closing balance	**2,08,486.14**	**2,08,486.14**

(d) Retained earnings	March 31, 2021	March 31, 2020
Opening balance	(71,517.27)	41,909.38
Net profit / (loss) for the current year	(67,147.00)	(1,23,073.67)
Transition reserve on account of Ind AS 116	-	(1,297.98)
Item of OCI for the year, net of tax	7,596.90	10,945.00
Closing balance	**(1,31,067.37)**	**(71,517.27)**

Total other equity	**2,59,382.26**	**3,18,932.36**

17 Borrowings	March 31, 2021		March 31, 2020	
	Non- current	Current	Non- current	Current
Secured				
Borrowings from banks	73,288.37	1,32,768.94	33,730.56	1,35,087.87
Non - current borrowings				
[Term loan 1 - outstanding balance as at balance sheet date carry interest @ 9.45 % p.a. (floating) is repayable in 72 months (including moratorium period of 12 months) as per ballooning repayment schedule. Installment started from January, 2020. (refer below for detail of securities)]				
[Term loan 2 - outstanding balance as at balance sheet date carry interest @ 9.25 % p.a. (floating) is repayable in 48 months (including moratorium period of 12 months) as per ballooning repayment schedule. Installment starting from October, 2021. (refer below for detail of securities)]				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

[Term loan 3 - outstanding balance as at balance sheet date carry interest @ 2.250 % p.a. (floating) is repayable in 120 months as per equal repayment schedule against security of Property (Unit 23 Ash Kembrey Park Swindon Siltshire)].				
Current borrowings				
[Repayable on demand and carry interest @ 8.15% p.a. floating (refer below for detail of securities)]				
[Securities - Above borrowings are secured by way of hypothecation on entire movable fixed assets & current assets of the Company, present and future. Further, secured by way of equitable mortgage of land & building owned by the Company except the land and building situated at Chennai and personal guarantee by one of the promoter].				
Unsecured				
Borrowings from related party	-	3,33,725.00	81,459.47	3,22,255.31
(Non - current borrowing - Interest free loan)				
(Current borrowing - repayable on demand and interest@ 9 % p.a.)				
	73,288.37	**4,66,493.94**	**1,15,190.03**	**4,57,343.18**

18 Provisions	March 31, 2021		March 31, 2020	
	Non- current	Current	Non- current	Current
Provision for employee benefits (refer note 33)				
- Gratuity (funded)	11,633.69	-	10,856.64	-
- Leave encashment (unfunded)	-	14,939.16	-	11,444.54
Provision for CSR	-	1,049.00	-	1,049.00
	11,633.69	**15,988.16**	**10,856.64**	**12,493.54**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

19 Other liabilities	March 31, 2021		March 31, 2020	
	Non- current	Current	Non- current	Current
Statutory dues payable	-	28,974.31	-	27,953.21
Advance received from customers	-	1,342.83	-	1,395.40
Advance received against sale of land	-	2,136.50	-	-
Deferred revenue on customer advances	-	-	-	180.00
Deferred Government Grant	1,386.35	833.29	2,219.64	833.29
Payable to Shareholder on account of merger	-	8.47	-	-
Lease liabilities	11,722.57	4,670.58	17,113.47	4,564.40
	13,108.92	**37,965.98**	**19,333.11**	**34,926.30**

20 Trade payables	March 31, 2021	March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	10,722.95	15,040.30
Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,83,669.26	1,63,979.77
	1,94,392.21	**1,79,020.07**

Particulars	March 31, 2021	March 31, 2020
The principal amount remaining unpaid at the end of the year	7,511.29	13,799.36
The Interest amount remaining unpaid at the end of the year	3,211.66	1,240.94
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
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 MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	3,211.66	1,240.94
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 MSMED Act, 2006	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

21 Other financial liabilities - current	March 31, 2021	March 31, 2020
Current maturities of non - current borrowings	1,09,308.57	51,304.27
Accrued interest on loans	42,954.26	15,433.14
Employee related payable	27,273.96	37,502.99
Unclaimed Dividend	1,338.29	1,341.70
Other payables	172.73	-
	1,81,047.81	**1,05,582.10**

22 Current income tax liabilities (net)	March 31, 2021	March 31, 2020
Current tax payable (net of advance taxes)	3,753.62	2,519.61
	3,753.62	**2,519.61**

23 Revenue from operations	March 31, 2021	March 31, 2020
Sale of products		
- Finished goods	678,325.73	804,490.09
- Traded goods	354,805.91	435,056.49
Other operating revenue	6,506.73	670.13
	1,039,638.37	**1,240,216.71**

24 Other income	March 31, 2021	March 31, 2020
Interest income	811.52	1,730.48
Sundry balances written back	1,849.69	1,513.23
Amortisation of Government Grant	833.29	833.29
Foreign exchange fluctuation (net)	-	550.01
Insurance claim received	754.53	1,431.58
Gain on Investments in Mutual Funds	559.29	1,846.55
Net Gain on Disposal of Property, Plant and Equipment	18.48	-
Other non - operating income	346.84	1,161.02
	5,173.64	**9,066.16**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

25	Cost of material consumed	March 31, 2021	March 31, 2020
	Cost of raw material consumed		
	Inventory at the beginning of the year	51,326.77	39,030.70
	Add: Purchases	241,957.77	284,640.14
	Less: Inventory at the end of the year	(50,924.90)	(51,326.77)
	Total cost of raw material consumed	**242,359.64**	**272,344.07**

26	Purchase of stock-in-trade	March 31, 2021	March 31, 2020
	Purchase of stock-in-trade	217,729.26	297,004.99
		217,729.26	**297,004.99**

27	Changes in inventories of finished goods, stock-in-trade and work-in-progress	March 31, 2021	March 31, 2020
	Inventories at the beginning of the year		
	- Finished goods	54,003.12	50,551.07
	- Stock in trade	61,016.43	49,712.92
	- Work-in-progress	27,322.18	21,515.60
		142,341.73	**121,779.59**
	Inventories at the end of the year		
	- Finished goods	(44,950.40)	(54,003.12)
	- Stock in trade	(75,225.89)	(61,016.43)
	- Work-in-progress	(35,399.61)	(27,322.18)
		(155,575.90)	**(142,341.73)**
	Net decrease / (increase)	**(13,234.17)**	**(20,562.14)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

28 Employee benefits expense	March 31, 2021	March 31, 2020
Salaries, wages, bonus and other allowances	263,764.01	315,320.01
Contribution to provident & other funds (refer note 33)	21,141.83	21,953.12
Contribution to gratuity fund & leave encashment expense (refer note 33)	8,575.12	6,029.28
Staff welfare expenses	4,922.81	5,320.67
	298,403.77	**348,623.08**

29 Finance costs	March 31, 2021	March 31, 2020
Interest expenses	64,050.57	57,056.80
Other borrowing costs	3,543.64	4,106.83
	67,594.21	**61,163.63**

30 Other expenses	March 31, 2021	March 31, 2020
Consumption of stores & spares, consumables and packing materials etc.	62,379.66	80,649.56
Repairs & maintenance		
- Plant & machinery	3,560.31	4,693.89
- Building	2,182.61	4,649.33
- Others	8,826.93	8,278.68
Job work expenses	4,628.94	14,348.18
Power and fuel	96,538.97	132,570.99
Insurance	5,607.08	4,685.62
Audit expenses	1,950.21	2,403.01
Rates and taxes	12,419.21	10,196.97
Carriage and freight	22,784.10	22,182.69
Travel and conveyance	8,697.16	16,282.22
Director sitting fees	42.00	152.50
Legal & professional charges	6,897.75	6,380.96
Merger expenses	52.32	3,037.00
Foreign exchange fluctuation (net)	1,285.33	-
Rent	850.12	1,749.77
Commission on sales	5,549.87	7,215.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

Selling & distribution cost	4,296.89	8,460.17
Listing fees	540.00	525.00
Loss on sale of property, plant and equipment	-	8.83
Miscellaneous expenses	10,026.12	13,426.55
Provision for expected credit loss / doubtful advances	9,069.87	2,574.17
	268,185.45	**344,471.40**

Payments to Auditors		
- Audit fees	1,950.21	2,403.01
- Reimbursement of expenses	-	-
	1,950.21	**2,403.01**

31 Income taxes

(a) Deferred tax relates to the following:	March 31, 2021	March 31, 2020
Deferred tax assets		
On provision for employee benefits	-	-
On unabsorbed depreciation and losses	49,492.77	19,515.12
	49,492.77	**19,515.12**
Deferred tax liabilities		
On property, plant and equipment	24,077.96	21,448.35
Interest free loans to subsidiary	-	2,904.51
Fair value of mutual funds	123.57	263.39
Others	-	50.69
	24,201.53	**24,666.94**
Deferred tax (liabilities) / assets, net	25,291.24	(5,151.82)
Minimum Alternative Tax (MAT) entitlements	-	-
Deferred tax (liabilities) / assets, net	**25,291.24**	**(5,151.82)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

(b) Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss	March 31, 2021	March 31, 2020
Deferred tax assets / (liabilities) net	25,291.24	(5,151.82)
Add : Deferred tax assets / (liabilities) trasferred on account of business combination	-	-
Less: Opening deferred tax assets / (liabilities)	(5,151.82)	(3,435.96)
Deferred tax income / (expense) for the year	**30,443.06**	**(1,715.86)**
Deferred tax expense / (income) recognized in statement of profit and loss	(30,636.35)	1,788.82
Deferred tax expense / (income) recognized in OCI		
- On account of change in foreign currency rate of foreign subsidiary (FCTR)	193.29	(72.96)
Total deferred tax expense / (income) recognized in statement of profit and loss	**(30,443.06)**	**1,715.86**

(c) Income tax expense	March 31, 2021	March 31, 2020
Amount recognised in the statement of profit or loss		
a) Current tax		
- For the year	3,691.96	1,121.70
- For the prior period	18.06	(71.34)
b) Deferred tax	(30,636.35)	1,788.82
Total income tax expense	**(26,926.33)**	**2,839.18**
Amount recognised in other comprehensive income		
Arising on income and expenses recognised in other comprehensive income:		
- On account of change in foreign currency rate of foreign subsidiary (FCTR)	-	-

(d) Reconciliation of tax charge	March 31, 2021	March 31, 2020
Profit before tax	(94,073.33)	(120,234.49)
Enacted income tax rate in India applicable to the Company	26.00%	27.82%
Income tax expense at tax rates applicable	**(24,459.07)**	**(33,449.23)**
Tax effects of:		
Effect of not recognition of deferred tax asset on accumulated tax losses	30,618.65	37,570.77
On account of rate difference in Subsidiary Companies	(1,626.91)	(1,109.87)

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(₹ in '000)

	Incremental deferred tax liability on account of tangible and intangible assets	2,870.59	(6,965.14)
	Reversal of deferred tax liability on account of interest free loan	(2,904.51)	(3,122.44)
	Reversal of fair value of mutual funds	(139.82)	(53.51)
	Reversal of assets created on unabsorbed depreciation and losses	(29,977.71)	1,266.41
	Reversal of provision for employee benefits	-	4,284.70
	Reversal of MAT credit	-	4,707.35
	For the prior period income tax	(107.91)	(71.34)
	On account of change in foreign currency rate	(1,159.38)	-
	Others	(40.26)	(218.52)
		(26,926.33)	**2,839.18**
	Effective tax rate (%)	**28.62%**	**-2.36%**

(e)	**Movement of MAT credit entitlement**	**March 31, 2021**	**March 31, 2020**
	Opening Balance	-	4,707.31
	Add : Recognised during the year	-	-
	Less : Derecognised during the year	-	(4,707.31)
	Less : Utilised during the year	-	-
	Closing Balance	**-**	**-**

32	**Contingent liabilities and capital commitments**	**March 31, 2021**	**March 31, 2020**
(a)	**Contingent liabilities**		
	(excluding interest and penalty on the respective amount, if any arrived upon the final outcome)		
	Tax deducted at sources	892.50	1,292.84
	Disputed Income tax demands	14,982.61	14,516.21
	Disputed sales tax demands	22,995.27	11,443.23
	Disputed Customs and DGFT demands	8,870.65	-
	Outstanding letters of credit	3,875.00	11,122.81
		51,616.03	**38,375.09**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

(b) Capital commitments	March 31, 2021	March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for		
- Towards property, plant and equipment	-	-
	-	**-**

33 Employee benefits

Brief description of the plans:

The Company has various schemes for employee benefits such as Provident Fund, ESIC, Gratuity and Leave Encashment. The Company's defined contribution plans are Provident Fund (in case of certain employees) and Employees State Insurance Fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans.

(a) Define benefit plans:

The Company's defined benefit plans include Gratuity. The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

i) Actuarial assumptions	March 31, 2021	March 31, 2020
Discount rate (per annum)	6.49% - 6.86%	6.56% - 6.89%
Salary escalation rate	5%	5%
Rate of employee turnover	2% - 5%	2% - 5%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Expected rate of return on plan assets (per annum)	6.49% - 6.86%	6.56% - 6.89%

ii) Expense recognized in the statement of profit and loss	March 31, 2021	March 31, 2020
Current service cost	3,008.24	3,141.22
Past service cost	-	-
Interest cost	724.26	809.27
Total*	**3,732.50**	**3,950.49**

*The total expenses for the year are included in the 'Employee benefits expense" line item in the Statement of Profit & Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(₹ in '000)

iii)	**Expense recognized in the statement of other comprehensive income**	**March 31, 2021**	**March 31, 2020**
	Actuarial (gains)/losses on obligation - due to changes in financial assumptions	199.36	(1,802.77)
	Actuarial (gains)/losses on obligation - due to experience adjustment	(266.58)	1,369.44
	Return on plan assets, excluding interest income	103.64	301.40
	Total*	**36.42**	**(131.93)**

*The remeasurement of the net defined benefit liability is included in other comprehensive income.

iv)	**Changes in the present value of defined benefit obligation**	**March 31, 2021**	**March 31, 2020**
	Present value of obligation at the beginning of the year	54,708.43	52,653.80
	Interest cost	3,712.62	4,061.85
	Current service cost	3,008.24	3,141.22
	Past service cost	-	-
	Benefit paid directly by the employer	(2,991.87)	(2,073.67)
	Benefit paid directly from the fund	(2,518.31)	(2,641.44)
	Actuarial (gains)/losses on obligation - due to changes in financial assumptions	199.36	(1,802.77)
	Actuarial (gains)/losses on obligation - due to experience adjustment	(266.58)	1,369.44
	Present value of obligation at the end of the year	**55,851.89**	**54,708.43**

v)	**Change in the fair value of plan assets**	**March 31, 2021**	**March 31, 2020**
	Fair value of plan assets at the beginning of the year	43,851.79	41,991.66
	Interest income	2,988.36	3,252.58
	Benefit paid directly from the fund	(2,518.31)	(2,641.44)
	Contributions by the Employer	-	1,550.39
	Return on plan assets, excluding interest income	(103.64)	(301.40)
	Fair value of plan assets at the end of the year	**44,218.20**	**43,851.79**

vi)	**Assets and liabilities recognized in the Balance Sheet**	**March 31, 2021**	**March 31, 2020**
	Present value of funded obligation	(55,851.89)	(54,708.43)
	Less: Fair Value of plan assets	44,218.20	43,851.79
	Net asset / (liability) recognized in Balance Sheet*	**(11,633.69)**	**(10,856.64)**

*Included in provision for employee benefits (refer note 18)

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vii) Maturity analysis of the benefit payments: from the fund	March 31, 2021	March 31, 2020
Projected benefits payable in future years from the date of reporting		
1st Following Year	6,206.93	7,149.88
2nd Following Year	3,535.28	4,070.71
3rd Following Year	8,236.50	4,594.13
4th Following Year	10,936.53	7,795.45
5th Following Year	7,648.50	10,171.29
Sum of Years 6 To 10	20,880.11	23,830.92
Sum of Years 11 and above	36,671.16	34,862.66

The Plan typically to expose the Company to actuarial risk such as Interest Risk, Longevity Risk and Salary Risk;

a) Interest Risk:- A decrease in the bond interest rate will increase the plan liability.

b) 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.

c) Salary Risk: The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan's participants will increase the plan's liability.

viii) A quantitative sensitivity analysis for significant assumption is as shown below	March 31, 2021	March 31, 2020
Impact on defined benefit obligation		
Discount rate		
1% increase	(3,047.09)	(2,985.87)
1% decrease	3,473.84	3,396.87
Rate of increase in salary		
1% increase	3,398.63	3,330.89
1% decrease	(3,055.13)	(2,856.17)
Withdrawal rate		
1% increase	419.75	424.31
1% decrease	(474.72)	(478.03)

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(₹ in '000)

(b) Leave obligations

The leave obligations cover the Company's liability for earned leave.

The amount of the provision of INR 14,939.16 [March 31, 2020 INR 11,444.54] is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

Particulars	March 31, 2021	March 31, 2020
Current service cost	4,842.62	2,078.79
Total expenses/(income) recognised in the Statement of Profit and Loss	**4,842.62**	**2,078.79**

(c) Defined contribution plans

The Company also has certain defined contribution plans. The contributions are made to registered provident fund, Employee State Insurance Corporation and Labour Welfare Fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plans are as follows:

Charge to the Statement of Profit and Loss based on contributions

Particulars	March 31, 2021	March 31, 2020
Employer's contribution to regional provident fund office	16,609.03	16,614.76
Employer's contribution to employees' state insurance	868.36	461.04
Employer's contribution to labour welfare fund	26.32	1,327.32
Employer's contribution to employee pension	3,638.12	3,550.00
	21,141.83	**21,953.12**

34 Earnings / loss per share	March 31, 2021	March 31, 2020
The following reflects the income and share data used in the basic and diluted EPS computations:		
Profit / (loss) attributable to equity holders	(67,147.00)	(123,073.67)
Add: Impact of dilutive potential equity shares	-	-
Profit / (loss) attributable to equity holders adjusted for the effect of dilution	**(67,147.00)**	**(123,073.67)**
Weighted average number of equity shares for basic and diluted EPS	10,851,120	10,851,120
Basic earnings per share (INR)	(6.19)	(11.34)
Diluted earnings per share (INR)	(6.19)	(11.34)

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(₹ in '000)

35 Segment reporting

Business Segments:

Based on the "management approach" as defined in Ind AS 108 – Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along with Business Segments. The Accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

(a) Segment revenue	March 31, 2021	March 31, 2020
Hard ferrites	150,022.99	226,697.41
Soft ferrites	186,376.66	303,294.25
Textiles	373,228.36	456,919.27
MagDev	334,667.86	339,860.76
Total	**1,044,295.87**	**1,326,771.69**
Less : Inter segment revenue	(4,657.50)	(86,554.98)
Revenue from operations	**1,039,638.37**	**1,240,216.71**

(b) Segment results	March 31, 2021	March 31, 2020
Hard ferrites	(21,873.99)	(23,776.77)
Soft ferrites	(27,161.77)	(46,428.79)
Textile	(2,821.49)	(11,541.77)
MagDev	24,620.01	14,093.98
Total	**(27,237.24)**	**(67,653.35)**
Unallocable expenses (net)	5,070.59	(1,991.83)
Other income (net)	5,828.75	9,826.53
Finance costs	67,594.25	64,399.50
Profit before tax	**(94,073.33)**	**(120,234.49)**

(c) Capital employed	March 31, 2021	March 31, 2020
Segment assets		
Hard ferrites	372,065.59	399,436.84
Soft ferrites	315,120.39	309,889.23
Textile	330,701.41	363,347.83

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(₹ in '000)

MagDev	310,339.98	285,191.48
Unallocable Assets (Net)	37,338.79	11,994.58
Total assets	**1,365,566.16**	**1,369,859.96**
Segment liabilities		
Hard ferrites	289,763.32	257,518.07
Soft ferrites	486,708.62	459,816.40
Textile	99,277.40	94,456.75
MagDev	118,169.74	122,953.65
Unallocable Liabilities (Net)	3,753.63	7,671.53
Total liabilities	**997,672.71**	**942,416.40**

(d) Segment - capital expenditure	**March 31, 2021**	**March 31, 2020**
Hard ferrites	4,165.62	6,114.75
Soft ferrites	4,693.83	9,490.74
Textile	1,816.50	2,990.60
MagDev	334.54	2,600.35
Unallocable capital expenditure	-	-
Total capital expenditure	**11,010.49**	**21,196.44**

(e) Segment - depreication and amortisation expense	**March 31, 2021**	**March 31, 2020**
Hard ferrites	8,199.23	8,349.69
Soft ferrites	15,435.41	16,054.80
Textile	26,705.93	35,202.90
MagDev	7,506.61	6,864.94
Unallocable capital expenditure	-	-
Total depreciation and amortisation expense	**57,847.18**	**66,472.33**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(f) Non cash expenditure other than depreciation and amortisation	March 31, 2021	March 31, 2020
Hard ferrites	154.86	202.07
Soft ferrites	(448.16)	1,959.21
Textile	8,638.81	125.41
MagDev	2,009.69	287.48
Unallocable non cash expenditure other than depreciation and amortisation	-	-
Total non cash expenditure other than depreciation and amortisation	**10,355.20**	**2,574.17**

Notes :

1. **Operating segment :**

   Segment identified by the Company comprises of manufacturer of hard ferrite, soft ferrites, textiles and MagDev Limited, Group (sales, distribution, assemblies of magnets & processing of metal powders and specialised lubricants).

2. **Segment revenue and expenses :**

   Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment.

   Revenue and expenses which relate to enterprises as a whole and are not allocable to a segment on a reasonable basis have been disclosed as "Unallocable".

3. **Segment assets and liabilities :**

   Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

4. **Inter segment transfers :**

   Segment revenue, segment expenses and segment results include transfer between business segments, such transfers are eliminated in consolidation.

5. **Accounting policies:**

   The accounting policies consistently used in the preparation of the consolidated financial statements are also applied to item of revenue and expenditure in individual segments.

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36 Related party disclosures

(a) List of related parties

(i) Key management personnel's (KMP's):

Mr. Jaydev Mody (JM) - Chairman

Dr. Ram H. Shroff (RHS) - Executive Vice Chairman & Managing Director

Ms. Ambika Kothari (AK) - Non-executive Director (upto 13.02.2020)

Mr. Javed Tapia (JT) - Independent Director

Dr. Vrajesh Udani (VU) - Independent Director

Mr. Rajesh Jaggi (RJ) - Independent Director

Mr. Darius Khambatta (DK) - Independent Director

Ms. Anjali Modi (ANJ) - Non-executive Director (w.e.f. 13.02.2020)

Mr. Samir Chinai (SC) - Independent Director (upto 13.02.2020)

Mr. Abhilash Sunny (AS) - Chief Financial Officer

Mrs. Anannya Godbole (AG) - Company Secretary

(ii) Relatives of KMP's:

Mrs. Zia Mody (ZM) - Wife of the Chairman

(iii) Enterprises over which persons mentioned in (i) and (ii) above exercise significant influence/control directly or indirectly:

AZB & Partners (AZB)

Freedom Registry Limited (FRL)

Aarti Management Consultancy Private Limited (AAMPL)

Aditi Management Consultancy Private Limited (ADMPL)

Anjoss Trading Company Private Limited (ATCPL)

AAA Holding Trust (AAAHT)

Myra Mall Management Company Private Limited (MMMCPL)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(b) Details of transaction carried out with related parties in the ordinary course of business for the year ended:

Particulars	KMP's		Enterprises Over which KMPs / Their Relatives Exercise Significant Influence or Control		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Remuneration paid						
RHS	4,174.86	6,326.93	-	-	4,174.86	6,326.93
AS	3,739.39	6,500.00	-	-	3,739.39	6,500.00
AG	382.97	447.20	-	-	382.97	447.20
Total	**8,297.22**	**13,274.13**	**-**	**-**	**8,297.22**	**13,274.13**
Reimbursement of expenses paid						
RHS	3,643.74	3,690.91	-	-	3,643.74	3,690.91
Total	**3,643.74**	**3,690.91**	**-**	**-**	**3,643.74**	**3,690.91**
Director sitting fees						
JM	4.00	16.00	-	-	4.00	16.00
AK	-	8.00	-	-	-	8.00
DK	6.00	12.00	-	-	6.00	12.00
JT	10.00	18.00	-	-	10.00	18.00
RJ	12.00	22.00	-	-	12.00	22.00
SC	-	10.00	-	-	-	10.00
ANJ	2.00	22.00	-	-	2.00	22.00
VU	8.00	44.50	-	-	8.00	44.50
Total	**42.00**	**152.50**	**-**	**-**	**42.00**	**152.50**
Rent paid						
AAAHT	-	-	401.58	445.19	401.58	445.19
Total	-	-	**401.58**	**445.19**	**401.58**	**445.19**
Interest expenses						
AAMPL	-	-	-	12,821.03	-	12,821.03
ADMPL	-	-	-	1,943.31	-	1,943.31
MMMCPL	-	-	25,883.85	7,781.82	25,883.85	7,781.82
RHS	3,273.75	3,282.72	-	-	3,273.75	3,282.72
Total	**3,273.75**	**3,282.72**	**25,883.85**	**22,546.16**	**29,157.60**	**25,828.88**
Professional fees paid						
AZB	-	-	294.68	134.25	294.68	134.25
FRL	-	-	91.89	77.17	91.89	77.17
Total	-	-	**386.57**	**211.42**	**386.57**	**211.42**
Loan taken						
MMMCPL	-	-	10,450.00	286,931.12	10,450.00	286,931.12
Total	**-**	**-**	**10,450.00**	**286,931.12**	**10,450.00**	**286,931.12**

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Particulars	KMP's		Enterprises Over which KMPs / Their Relatives Exercise Significant Influence or Control		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Loan repaid						
AAMPL	-	-	-	213,100.00	-	213,100.00
ADMPL	-	-	-	32,300.00	-	32,300.00
MMMCPL	-	-	-	31.12	-	31.12
Total	**-**	**-**	**-**	**245,431.12**	**-**	**245,431.12**
Interest on loan repaid						
AAMPL	-	-	-	38,067.47	-	38,067.47
ADMPL	-	-	-	3,463.65	-	3,463.65
Total	**-**	**-**	**-**	**41,531.12**	**-**	**41,531.12**

(c) Outstanding balance as at March 31, 2021

Particulars	KMP's		Enterprises Over which KMPs / Their Relatives Exercise Significant Influence or Control		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Loan payable						
AAMPL	-	-	7,000.00	7,000.00	7,000.00	7,000.00
ADMPL	-	-	43,000.00	43,000.00	43,000.00	43,000.00
ATCPL	-	-	43,000.00	43,000.00	43,000.00	43,000.00
MMMCPL	-	-	297,350.00	286,900.00	297,350.00	286,900.00
RHS	36,375.00	36,375.00	-	-	36,375.00	36,375.00
Total	**36,375.00**	**36,375.00**	**390,350.00**	**379,900.00**	**426,725.00**	**416,275.00**
Trade payables						
FRL	-	-	92.56	65.88	92.56	65.88
AAAHT	-	-	4,509.82	4,068.59	4,509.82	4,068.59
Total	**-**	**-**	**4,602.38**	**4,134.47**	**4,602.38**	**4,134.47**
Interest payable						
MMMCPL	-	-	30,946.20	7,003.64	30,946.20	7,003.64
RHS	7,888.88	4,860.66	-	-	7,888.88	4,860.66
Total	**7,888.88**	**4,860.66**	**30,946.20**	**7,003.64**	**38,835.08**	**11,864.30**
Remuneration payable						
RHS	1,670.31	660.92	-	-	1,670.31	660.92
AS	410.39	2,025.70	-	-	410.39	2,025.70
AG	71.82	148.62	-	-	71.82	148.62
Total	**2,152.52**	**2,835.24**	**-**	**-**	**2,152.52**	**2,835.24**

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37 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into credit risk, capital risk, liquidity risk, and market risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(a) Credit risk

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

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business;

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

Trade receivables:

i) The ageing of trade receivables and expected credit loss analysis on these trade receivables is given in below table:

Particulars	March 31, 2021	March 31, 2020
0-180 days	278,456.88	299,853.94
More than 180 days	66,801.86	33,120.10
Total	**345,258.74**	**332,974.04**

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ii) The expected credit loss analysis on these receivables is given in below table:

Particulars	March 31, 2021	March 31, 2020
Opening provision for the year	6,368.36	3,041.99
Add: Provision for expected credit loss	9,057.99	4,406.87
Add: Bad debts recovered	-	1,832.70
Less: Bad debts	(306.38)	(1,088.67)
Less: Reversal of expected credit loss	(264.18)	(1,832.70)
Less / Add : Foreign currency translation reserve	9.62	8.17
Closing provision for the year	**14,865.41**	**6,368.36**

(b) Capital risk

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 17 & 21, and offset by investments and cash & bank balances as detailed in notes 10, 12 and 13) and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through long-term and short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:

Particulars	March 31, 2021	March 31, 2020
Total Equity	367,893.46	427,443.56
Current borrowings	466,493.94	457,343.18
Current maturities of non - current borrowings	109,308.57	51,304.27
Non-current borrowings	73,288.37	115,190.03
Total debt	**649,090.88**	**623,837.48**
Current Investments	6,574.16	23,514.86
Cash and cash equivalents	34,565.72	25,465.75
Other bank balances	6,184.22	8,626.80
Net debt	**601,766.78**	**566,230.07**
Debt equity ratio	**1.64**	**1.32**

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(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities:

Particulars	Carrying Value	Upto 1 year	1 to 5 years	5 years & above
Maturities of Financial Liabilities as at March 31, 2021				
Borrowings	649,090.88	575,802.51	73,288.37	-
Trade payables	194,392.20	194,392.20	-	-
Other financial liabilities	71,739.24	71,739.24	-	-
	915,222.32	**841,933.95**	**73,288.37**	**-**
Maturities of Financial Liabilities as at March 31, 2020				
Borrowings	623,837.48	508,647.45	115,190.03	-
Trade payables	179,020.07	179,020.07	-	-
Other financial liabilities	54,277.83	54,277.83	-	-
	857,135.38	**741,945.35**	**115,190.03**	**-**

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

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

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared

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assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's profit for the year would decrease / increase by amount as stated below.

Particulars	Financial Liabilities	Change in Interest rate	Impact on Profit or Loss	
			Increase by 1%	decrease by 1%
March 31, 2021	556,090.88	1%	(5,560.91)	5,560.91
March 31, 2020	542,378.01	1%	(5,423.78)	5,423.78

(ii) Other Price Risks

The Company is not significantly exposed to equity price risks / other price risks.

38. Unhedged foreign currency (fc) exposure

The Foreign currency exposures that are not hedged by a derivative instrument or otherwise as at year end are given below:

Particulars	March 31, 2021		March 31, 2020	
	Foreign currency	₹	Foreign currency	₹
Trade receivables				
- Hedged	-	-	-	-
- Unhedged				
- USD	469,983.40	45,098.74	34,129.07	2,572.22
- GBP	38,207.33	3,857.29	81,382.23	7,639.26
- EURO	30,516.79	2,921.94	71,889.64	5,972.74
	538,707.52	**51,877.97**	**187,400.94**	**16,184.22**
Trade payables				
- Hedged	-	-	-	-
- Unhedged				
- USD	341,981.79	31,626.17	212,777.02	16,036.47
- EURO	62,215.30	6,035.90	25,599.00	2,126.82
	404,197.09	**37,662.07**	**238,376.02**	**18,163.29**

Of the above, the Company is exposed to USD, GBP & EURO. Hence the following table analyses the Company's sensitivity to a 5% increase and a 5% decrease in the exchange rates of this currency against INR

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Particulars	Foreign exposure	Change in Exchange rate	Impact on Profit or Loss	
			Increase by 5%	decrease by 5%
March 31, 2021	14,215.89	5%	710.79	(710.79)
March 31, 2020	(1,979.07)	5%	(98.95)	98.95

The Company is exposed to currency risk arising from its trade exposures and capital receipt / payments denominated, in other than the functional currency. The Company has a detailed policy which includes setting of the recognition parameters, benchmark targets, the boundaries within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function.

The Company has defined strategies for addressing the risks for each category of exposures (e.g. for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

39 Disclosure under Ind AS - 115 Revenue from contracts with customers

Disaggregate revenue information

Set out below is the disaggregation of the Company revenue from contracts with customers and reconciliation to the statement of profit and loss:

Particulars	March 31, 2021	March 31, 2020
(a) Type of product		
Sale of Magnets	533,358.54	637,630.17
Sale of coil windings	30,787.32	67,089.75
Sale of Powder	7,944.87	60,969.76
Magnet assembly	52,903.04	57,837.37
Sale of woven tape	83,766.70	85,921.27
Sale of woven label	154,993.06	175,600.07
Sale of fabric printed label	111,600.91	119,675.23
Sale of crochet tape (trading)	3,743.42	7,296.87
Sale of heat transfer labels (trading)	8,317.79	2,618.91
Sale of tags & stickers (trading)	6,801.92	7,543.58
Others	45,420.80	18,033.73
Total revenue contract with customer	**1,039,638.37**	**1,240,216.71**
(b) Geographical market		
India	699,890.89	877,367.02
Outside India	339,747.48	362,849.69
Total revenue contract with customer	**1,039,638.37**	**1,240,216.71**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in ‘000)

Particulars		March 31, 2021	March 31, 2020
(c)	**Timing of revenue recognition**		
	Performance obligation satisfied at a point in time	1,039,638.37	1,240,216.71
	Performance obligation satisfied over time	-	-
	Total revenue contract with customer	**1,039,638.37**	**1,240,216.71**
(d)	**Contract balances**		
	Trade receivables	345,258.74	332,974.04
	Contract assets	-	-
	Contract liabilities	1,342.83	1,395.40

(e) Trade receivable are presented net of impairment in the balance sheet. In 2021, provision for expected credit loss recognised on trade receivable was INR 14,865.41 (‘000) and [previous year INR 6,368.36 (‘000)]

(f)	**Significant changes in contract liability during the year are as follows:**	**March 31, 2021**	**March 31, 2020**
	Movement in contract liabilities		
	Contract liabilities at the beginning of the year	1,395.40	3,866.08
	Increase due to cash received and decrease as a result of changes in the measure of progress, change in estimate	1,342.83	1,395.40
	Changes due to reclassification from deferred income	(1,395.40)	(3,866.08)
	Contract liabilities at the end of the year	**1,342.83**	**1,395.40**

40 Corporate Social Responsibility (CSR) Rxpenditure

(a) Gross amount required to be spent by the Company during the year ended March 31, 2021 INR NIL (‘000) [Previous year ended March 31, 2020 ₹ NIL (‘000)]

(b) Amount spent during the year ended	**March 31, 2021**		**March 31, 2020**	
	In Cash*	**Yet to be paid in Cash**	**In Cash***	**Yet to be paid in Cash**
i) Construction / Acquisition of any assets	-	-	-	-
ii) Purposes other than (i) above	-	-	-	-
	-	**-**	**-**	**-**

*Represents actual outflow during the year

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

(c) Related party transactions in relation to Corporate Social Responsibility : NIL

(d) Provision movement during the year	March 31, 2021	March 31, 2020
Opening Provision	1,049.00	3,751.00
Addition during the year	-	-
Utilised during the year	-	(2,702.00)
Closing provision	**1,049.00**	**1,049.00**

41 Acquisitions during previous year

(a) Merger Information

The Scheme of Arrangement ('the Scheme'); presented under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the rules prescribed thereunder, for the business combination of Arrow Textiles Limited ('ATL') & MMG India Private Limited (MMG) with the Company was approved by the Hon'ble National Company Law Tribunal vide its order dated December 27, 2019 ("the NCLT Order"). The Certified copy of the NCLT order was filed with Registrar of Companies on January 20, 2020. Consequently, the Scheme became operative from January 20, 2020 and effective from October 01, 2018 i.e. appointed date.

The said business combination has been accounted under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103 'Business Combination' and the previously issued financial statements of the Company for the year ended March 31, 2019 have been restated to give effect to the Scheme. All the assets and liabilities of the Arrow Textiles Limited & MMG India Private Limited have been transferred to and vested in the Company at it's carrying value w.e.f. October 01, 2018 and the amount of INR 208,486.14 ('000) is recorded as Capital Reserve on account of the Scheme.

Further, in terms of the Scheme, during the year, 4,380,106 ordinary (equity) shares of INR 10 each in the Company have been issued and allotted as fully paid up to the shareholders of ATL, in the ratio of 23 ordinary (equity) shares of INR 10 each fully paid-up in the capital of the Company for every 100 fully paid-up equity shares of INR 10 each held in ATL. The same is presented as "Share Pending Issuance" under "Equity" as at October 01, 2018 and March 31, 2019. Consequently, an amount of INR 146,638.33 ('000) lakhs representing difference between the consideration paid and value of net identifiable assets acquired, has been recorded as a Capital Reserve in the Consolidated Financial Statements as at October 01, 2018.

The Company holds 100% equity of MMG India Private Limted. Further, in terms of the scheme, the equity of MMG India will get cancelled and there will not be any issue and allotment of equity of the Company. Consequently, an amount of INR 61,847.81 ('000) lakhs representing difference between the investment in equity which was cancelled and value of net identifiable assets acquired, has been recorded as a Capital Reserve in the Standalone Financial Statements as at October 01, 2018.

Pursuant to the business combination of Arrow Textiles Limited ('ATL') & MMG India Private Limited (MMG) with the Company with effect from October 01, 2018, the profit attributable to the equity shareholders for the comparative year has been restated to include the figures of ATL & MMG. Accordingly, as per the requirement of the Ind AS 33 'Earnings per Share', the Basic and Diluted earnings per share of the comparative year has been restated taking into consideration the equity shares issued to the shareholders of ATL. Further the current tax and deferred tax amounts in the comparative year have been restated owing to the said business combination.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

(b) Details of purchase consideration, assets and liabilities acquired are as follows:

Particulars	ATL	MMG
(i) Assets acquired on October 01, 2018		
Non-current assets		
Property, plant and equipment	150,073.68	147,081.21
Intangible assets	933.61	1,048.43
Financial assets		
Other financial assets	2,735.56	883.45
Deferred tax asset (net)	-	9,340.44
Non-current tax assets (net)	3,760.83	2,538.90
Other non-current assets	-	1,846.64
Current assets		
Inventories	63,656.95	59,365.67
Financial assets		
Trade receivables	110,056.27	105,147.54
Cash and cash equivalents	64,158.31	1,398.37
Bank balances other than cash and cash equivalents	1,982.80	2,234.97
Other financial assets	598.58	510.17
Other current assets	7,782.08	32,043.56
Assets classified as held for sale	-	23,640.54
Total Assets acquired (i)	**405,738.67**	**387,079.89**
(ii) Liabilities assumed on October 01, 2018		
Equity		
Other equity	134,018.38	(231,630.94)
Non-current liabilities		
Financial liabilities		
Borrowings	11,957.90	139.46
Deferred tax liabilities (net)	817.62	-
Provisions	-	3,923.57
Other non current liabilities	3,469.58	-
Current liabilities		
Financial liabilities		
Borrowings	-	241,007.78
Trade payables	18,727.47	44,001.04
Other current financial liabilities	23,802.68	35,711.73
Provisions	7,635.83	2,238.65
Other current liabilities	13,199.66	136,769.09
Current income tax liabilities (net)	1,670.16	-
Total Liabilities assumed (ii)	**215,299.28**	**232,160.38**
Net Assets acquired (i-ii)	**190,439.39**	**154,919.51**
Less: Investment in equity cancelled	**-**	93,071.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

Particulars	ATL	MMG
Less: Shares issued	43,801.06	-
Net assets acquired transferred to capital reserve	**146,638.33**	**61,847.81**

(c) Acquisition related cost

Acquisition cost of INR 52.32 ('000) [March 31, 2020 - INR 3,037.00 ('000)] are included in other expenses in profit or loss and in operating cash flows in statement of cash flows.

42 Leases

Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of INR 19,947.38 ('000) and a lease liability of INR 21,377.19 ('000). The cumulative effect of applying the standard, amounting to INR 1,297.98 ('000) was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is a summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
5. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

   The weighted average incremental borrowing rate applied to lease liabilities is range from is 5% to 11%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

(a) Right-of-use assets

The movement in Right-of-use assets has been disclosed in Note 4

(b) Lease Liabilities

Movement in Lease Liabilities:

Particulars	March 31, 2021	March 31, 2020
Balance as at April 01	**21,677.87**	**21,377.18**
Additions on account of New Leases	-	3,947.39
Accretion of Interest	1,125.96	1,371.29
Payments made	(7,208.36)	(5,507.89)
Early Termination of Lease	-	-
Change on account of Remeasurement	1,045.41	-
On account of change in foreign currency rate of foreign subsidiary (FCTR)	(247.73)	489.90
Balance as at March 31	**16,393.15**	**21,677.87**
Current	4,670.58	4,564.40
Non-current	11,722.57	17,113.47
Balance as at March 31	**16,393.15**	**21,677.87**

(c) Rent expenses recorded for short term leases was INR 850.12 ('000) for the year ended March 31, 2021 and previous year [INR 1749.77 ('000)].

(d) The total cash out flows for leases are INR 8,058.47 ('000) in the year and previous year [INR 7,257.66 ('000)], including the payments relating to short term and low value leases.

(e) The table below provides details regarding the contractual maturities of lease liabilities as at March 31 on an undiscounted basis:

Particulars	March 31, 2021	March 31, 2020
Less than one year	5,577.55	7,188.56
One to five years	12,530.82	14,268.98
More than five years	1,047.29	3,163.53

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

43 The Group has considered internal and external sources of information, economic forecasts and industry reports, up to the date of approval of the financial statements, in determining the impact of COVID 19 pandemic on various elements of its business operations and financial statements. The Group has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Group expects to recover the carrying amount of its current and non-current assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements depending on how long the pandemic lasts and time period taken for the economic activities to return to normalcy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

44 Statement of net assets, profit or (loss), other comprehensive income and total comprehensive income and non controlling interest considered in the consolidated financial statements

Name of the Company	Net Assets		Share in Profit / (Loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TOCI)	
	% of Consolidated Net Assets	Amount	% of Consolidated Profit / (loss)	Amount	% of Consolidated OCI	Amount	% of Consolidated Profit / (loss)	Amount
Parent								
Delta Manufacturing Limited	80.52%	1,099,589.16	130.33%	(87,514.05)	-0.48%	(36.42)	147.02%	(87,550.48)
Subsidiaries								
Magdev Limited (Foreign)	25.40%	346,798.07	-39.45%	26,490.41	0.00%	-	-38.69%	23,038.43
Pilamec Limited (Foreign)	4.15%	56,670.14	5.43%	(3,643.33)	0.00%	-	5.55%	(3,303.48)
Consolidation adjustment								
Add / (less): Adjustment arising out of consolidation	-10.07%	(137,491.22)	3.69%	(2,480.03)	100.48%	7,633.32	-13.88%	8,265.43
Consolidated Net Assets / Profit & (Loss)	**100.00%**	**1,365,566.16**	**100.00%**	**(67,147.00)**	**100.00%**	**7,596.90**	**100.00%**	**(59,550.10)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

45 Fair value disclosures

a) Categories of financial instruments:

Particulars	March 31, 2021			March 31, 2020		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
Other financial assets - non current	-	-	10,493.15	-	-	8,937.00
Investments	6,574.16	-	-	23,514.86	-	-
Trade receivables	-	-	345,258.74	-	-	332,974.04
Cash and cash equivalents	-	-	34,565.72	-	-	25,465.75
Bank balances other than cash and cash equivalent	-	-	6,184.22	-	-	8,626.80
Other financial assets - current	-	-	1,971.85	-	-	2,784.51
	6,574.16	**-**	**398,473.68**	**23,514.86**	**-**	**378,788.10**
Financial Liabilities						
Borrowings - non current	-	-	73,288.37	-	-	115,190.03
Borrowings - current	-	-	466,493.94	-	-	457,343.18
Trade payables	-	-	194,392.20	-	-	179,020.07
Other financial liabilities	-	-	181,047.81	-	-	105,582.10
	-	**-**	**915,222.32**	**-**	**-**	**857,135.38**

b) Fair value hierarchy and method of valuation

Except as detailed in the following table, the Company considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Input other than quoted prices included within level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of other financials assets and financial liabilities are approximate to their carrying values.

The following table presents fair value of assets and liabilites measured at fair value on recurring basis of March 31, 2021 and March 31, 2020.

Financial Assets	March 31, 2021				
	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL					
- Investment in Mutual Fund	6,574.16	6,574.16	-	-	**6,574.16**

Financial Assets	March 31, 2020				
	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL					
- Investment in Mutual Fund	23,514.86	23,514.86	-	-	**23,514.86**

For M H S & Associates

Chartered Accountants
Firm Registration No.: 141079W

Mayur H. Shah
Partner
Membership No: 147928

Mumbai: May 28, 2021

For and on behalf of the Board of Directors of
Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited') (CIN: L32109MH1982PLC028280)

Jaydev Mody
Chairman
DIN:00234797

Dr. Ram H. Shroff
Managing Director
DIN:00004865

Rajesh Jaggi
Director
DIN:00046853

Abhilash Sunny
Chief Financial Officer

Anannya Godbole
Company Secretary (ACS No. 23112)

Mumbai: May 28, 2021

ANNEXURE - A

Form AOC1

Silent features of Financial statements of Subsidiary as per Compnay's Act, 2013

(₹ in '000)

Sr. No.	Name of Subsidiary Compa-nies	Reporting Period	Repor-ting Curre-ncy	Capital	Reser-ves	Total Assets	Total Liabili-ties	Invest-ments	Turover (includes other income)	Profit/ (Loss) before taxation	Provision for Taxation	Profit/ (Loss) After taxation	Proposed Dividend	% of Shareh-olding	Country of Company
1	Magdev Ltd	March 31, 2021	INR	77,231.95	157,937.38	346,798.07	111,628.73	67,187.51	296,246.61	21,497.98	3,663.52	17,834.46	0.00	100.00	UK
			GBP	765.00	1,564.41	3,435.11	1,105.71	665.51	3,053.57	221.59	37.76	183.83	-		
2	Pilamec Ltd	March 31, 2021	INR	121.15	39,658.19	56,670.14	16,890.80	-	41,803.93	(3,743.97)	(339.85)	(3,404.12)	-	100%	UK
			GBP	1.20	392.82	561.33	167.31	-	430.90	(38.59)	(3.50)	(35.09)	-		

		Closing rate	Average rate
* Exchange rate as on March 31, 2021	GBP	100.96	97.02

If Undelivered, please return to:

Freedom Registry Limited
Unit: Delta Manufacturing Limited (Formerly known as 'Delta Magnets Limited')
Plot No. 101/102, 19th Street, MIDC,
Satpur, Nasik - 422 007,
Maharashtra.

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