



Ref: VTL/SEC/NSE-BSE/AGM. 2020  
22<sup>nd</sup> July, 2020

## Voltamp Transformers Limited

To,  
**NATIONAL STOCK EXCHANGE OF INDIA LTD**  
Listing Department "Exchange Plaza,"  
Bandra -Kurla Complex,  
Bandra (E),  
Mumbai 400 051

To,  
**BSE LIMITED**  
Department of Corporate Services,  
Floor 1, Rotunda Building,  
P J Towers, Dalal Street,  
Mumbai 400 001

**Scrip Code: VOLTAMP EQ**

**Scrip Code: 532757**

**Subject: Notice of 53<sup>rd</sup> Annual General Meeting (AGM) And Annual Report for the F.Y. 2019-20**

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Notice of the 53<sup>rd</sup> AGM and Annual Report for the F.Y. 2019- 20. The same will be made available on the Company's website, at <http://www.voltamptransformers.com/index.php/dashboard/annualreports>

The schedule of AGM is set out below:

Event	Date	Time
Relevant date / cut-off date to vote on AGM resolutions	07/08/2020	NA
Closure of register of members and share transfer books	07/08/2020 to 14/08/2020	NA
Commencement of E-voting	11/08/2020	09:00 AM
End of E-voting	13/08/2020	05:00 PM
AGM	14/08/2020	10:00 AM

This is for your information and record.

Thanking you,

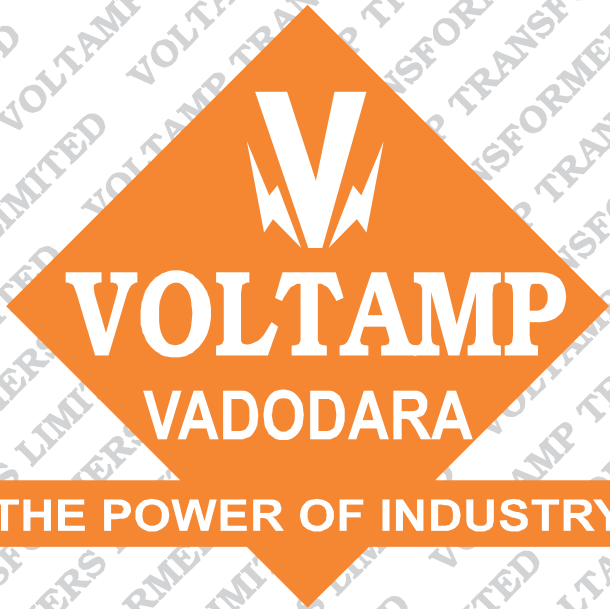
Yours faithfully,

**FOR VOLTAMP TRANSFORMERS LTD.**

**SANKET RATHOD**

**COMPANY SECRETARY & COMPLIANCE OFFICER**

**Encl. As above**



# **VOLTAMP TRANSFORMERS LIMITED**

**53<sup>RD</sup> ANNUAL REPORT : 2019-20**

## LAST 10 YEARS FINANCIAL HIGHLIGHTS

Year ended 31 March										
(₹ in crores)	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
<b>Net Sales</b>	<b>526.29</b>	<b>569.81</b>	<b>515.50</b>	<b>444.78</b>	<b>516.89</b>	<b>563.30</b>	<b>610.94</b>	<b>639.02</b>	<b>828.83</b>	<b>858.58</b>
<b>Expenditure</b>	<b>459.51</b>	<b>528.09</b>	<b>481.32</b>	<b>429.81</b>	<b>497.14</b>	<b>525.89</b>	<b>550.75</b>	<b>573.00</b>	<b>735.25</b>	<b>750.79</b>
<b>EBITDA</b>	<b>66.78</b>	<b>41.72</b>	<b>34.18</b>	<b>14.97</b>	<b>19.75</b>	<b>37.41</b>	<b>60.18</b>	<b>66.02</b>	<b>93.58</b>	<b>107.79</b>
Interest & Bank Charges	0.79	0.48	0.49	0.37	0.30	0.43	0.51	0.56	0.00	0.00
Depreciation	7.50	8.27	7.67	7.13	7.22	5.98	5.82	5.99	7.15	8.99
Other Income	18.31	15.45	20.02	26.74	21.16	28.29	38.98	40.67	36.25	14.56
<b>PBT</b>	<b>76.80</b>	<b>48.42</b>	<b>46.03</b>	<b>34.21</b>	<b>33.39</b>	<b>59.29</b>	<b>92.83</b>	<b>100.14</b>	<b>122.68</b>	<b>113.36</b>
Tax	25.02	15.15	13.13	7.92	4.98	15.31	20.62	26.66	37.84	23.98
<b>PAT</b>	<b>51.78</b>	<b>33.27</b>	<b>32.90</b>	<b>26.29</b>	<b>28.41</b>	<b>43.98</b>	<b>72.21</b>	<b>73.48</b>	<b>84.84</b>	<b>89.38</b>
Other Comprehensive Income (OCI)	----	----	----	----	----	----	- 0.35	- 0.11	0.05	-0.44
<b>TOTAL OCI</b>	<b>51.78</b>	<b>33.27</b>	<b>32.90</b>	<b>26.29</b>	<b>28.41</b>	<b>43.98</b>	<b>71.86</b>	<b>73.37</b>	<b>84.89</b>	<b>88.94</b>
<b>Key Ratios (%)</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>
EBITDA Margin	12.69	7.32	6.63	3.37	3.82	6.64	9.85	10.33	11.29	12.55
Net Margin	9.84	5.84	6.38	5.91	5.50	7.81	11.76	11.48	10.24	10.36

# VOLTAMP TRANSFORMERS LIMITED

## BOARD OF DIRECTORS

<b>Shri Kanubhai S. Patel</b>	<b>Chairman &amp; Managing Director</b>
<b>Shri Kunjalbhai L. Patel</b>	<b>Vice Chairman &amp; Managing Director</b>
<b>Shri Hemant P. Shaparia</b>	<b>Director</b>
<b>Dr. (Smt.) Neelaben A. Shelat</b>	<b>Director</b>
<b>Shri Ashish S. Patel</b>	<b>Director</b>
<b>Shri Vallabh N. Madhani</b>	<b>Whole Time Director &amp; CFO</b>

### **BANKERS:**

#### **1) ICICI BANK LTD.**

Jay House, 2<sup>nd</sup> Floor,  
Plot No. 42, Haribhakti Society,  
Nr. Bird Circle, Old Padra Road,  
Vadodara – 390007, Gujarat.

#### **2) AXIS BANK LTD.**

Vardhman Complex, Opp. GEB Office,  
Race Course Circle,  
Vadodara – 390007, Gujarat.

### **COMPANY SECRETARY :**

Shri Sanket Rathod

### **AUDITORS:**

#### **M/S. CNK & Associates LLP.**

Chartered Accountants  
C-201-202, Shree Siddhi Vinayak Complex,  
Opp Alkapuri Side Railway Station, Faramji Road,  
Alkapuri, Vadodara - 390005

### **REGISTERED OFFICE & WORKS - I:**

Makarpura, Vadodara – 390 014, Gujarat.  
**Phone :** +91 265 6141403 / 6141480 / 3041480  
**Fax :** +91 265 2646774 / 6141499

### **WORKS - II:**

Village Vadadala, Jarod-Samlaya Road,  
Tehsil Savli, Dist. Vadodara 391 520  
**Phone:** +91 81286 75081 / 82, 8511187262,  
02667 - 677111  
**Fax :** +91 2667 - 251250

**E-mail :** voltamp@voltamptransformers.com

**Website :** www.voltamptransformers.com

**CIN :** L31100GJ1967PLC001437

### **REGISTRAR & SHARE TRANSFER AGENT:**

#### **LINK INTIME INDIA PVT. LTD.**

B- 102 & 103, Shangrila Complex,  
Near Radhakrishna Char Rasta,  
Vadodara – 390020, Gujarat.  
Phone No. 0265-2356573 - 2356794

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## NOTICE

Notice is hereby given to the Members of VOLTAMP TRANSFORMERS LIMITED, that the 53<sup>rd</sup> Annual General Meeting (AGM) of the Members of the Company will be held on Friday, 14<sup>th</sup> August, 2020 at 10:00 a.m. through video conference / other audio visual means, to transact the following businesses. The venue of the meeting shall be deemed to be the Registered office of the Company situated at Makarpura, Vadodara – 390 014.

### ORDINARY BUSINESS:

- 1) To receive and adopt the Audited Financial Statement for the Financial Year ended 31<sup>st</sup> March, 2020, together with the Directors' and the Auditors' Reports thereon.
- 2) To confirm payment of interim dividend of ₹ 25 per share of face value of ₹ 10 each for FY 2019-20.
- 3) To appoint a Director in place of Shri Kunjalbhai L Patel, who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS:

- 4) To reappoint Shri Kanubhai S. Patel (DIN 0008395) as a Chairman and Managing Director of the company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 200 and 203 read with Schedule V of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any of the Act and Rules made thereunder, Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment (s) thereof for the time being in force) and other applicable provisions, if any, approval of shareholders of the Company be and is hereby accorded to the reappointment of Shri Kanubhai S. Patel, as a Chairman and Managing Director of the Company for further period of five years with effect from 11.02.2020 to 10.02.2025 on the terms and conditions and remuneration and perquisites payable as under :

- A) Consolidated Salary : Consolidated salary of ₹ 17,00,000 p.m. in the scale of ₹ 17,00,000 – 1,10,000 -21,40,000.
- B) Commission : At the rate of 1% (One percent) of net profits (profit before tax) of the Company for each Financial year, provided that the total remuneration including salary, perquisites, and commission shall be subject to the overall ceiling stipulated under Sections.

#### Perquisites and Allowances:

- I. In addition to salary and commission, the Managing Director is also entitled to perquisites and allowances, medical reimbursement, medical and personal accident insurance, leave travel concessions for self and family, hospitalization expense for self and family and such other allowances and perquisites as the Nomination and Remuneration Committee / Board may in its absolute discretion determine from time to time and bonus as per rules of the Company.
- II. Company's contribution to Provident Fund and Super annuation Fund or any Annuity Fund to the extent these are either singly or together, not taxable under the Income-Tax Act, Gratuity payable should not exceed one month's salary for each completed year of total services rendered in the Group and Encashment of leave at the end of the tenure will not be included in the computation of the ceiling for remuneration specified above.
- III. Cars for use on Company's business and telephones (Fixed and Mobile) and other communication facilities at residence will not be considered as perquisites.
- IV. Leave with full pay or encashment thereof as per the Rules of the Company.

V. Reimbursement of actual travelling and hotel expenses for the Company's business, as per the Company's Rules.

VI. Other perquisites:

The Managing Director may be given any other allowances, group incentive, benefits and perquisites from time to time, as may be determined by the Nomination and Remuneration Committee / Board in its absolute discretion deem fit, for each Financial Year, provided that the total remuneration including salary, perquisites and commission shall be subject to the overall ceiling stipulated under Sections 197, 198 read with Schedule V of the Companies Act, 2013 (including any subsequent amendment(s) / modification(s) in the Rules, Act and / or applicable laws in this regard). Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

**Minimum Remuneration:**

Notwithstanding anything to the contrary contained herein above, wherein in any financial year, during the currency of the tenure of Shri Kanubhai S. Patel, the Company has no profits or its profits are inadequate or incurs loss, the Company shall pay the remuneration, i.e., Salary, Perquisites Allowances, Reimbursements, Retirement Benefits, variable pay etc., as set out hereinabove, including any increments and variable pay as may be approved by the Nomination and Remuneration Committee/Board of Directors, from time to time to Shri Kanubhai S. Patel as minimum remuneration to him, subject to the provision contained in Schedule V read with Section 197 of Companies Act, 2013, if required.

**Overall Remuneration:**

Subject to approval of shareholders by special resolution the aggregate salary, perquisites, allowance and commission in any one financial year as may be decided by the Nomination and Remuneration Committee/ Board of Directors, shall be within the prescribed limit of total managerial remuneration payable to all Managing Directors / Whole Time Directors in aggregate under section 197 read with Schedule V of Companies Act, 2013, or such higher percentage of Net Profits of the Company as prescribed from time to time (including any subsequent statutory amendment(s)/modification(s) in the Rules, Act and/or applicable laws in this regard).

Shri Kanubhai S. Patel so long as he functions as Managing Director of the Company, shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

**RESOLVED FURTHER THAT** the term of office of Shri Kanubhai S. Patel as a Chairman & Managing Director of the Company shall be subject to retirement by rotation during his tenure.

**RESOLVED FURTHER THAT** any one of the Directors of the Company or Shri Sanket Rathod, Company Secretary & Compliance Officer of the Company be and is hereby authorized severally to sign and file necessary form/s (including eForm/s) with R.O.C. Office and to do all acts, deeds and things as may be necessary or desirable to give effects to this Resolution or incidental thereto."

5) To reappoint Shri Hemant P. Shaparia (DIN: 00053392) as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Shri Hemant P. Shaparia (DIN: 00053392), an Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for reappointment, be and is hereby reappointed as an Independent Director of the Company with effect from 18.03.2020 to 17.03.2025.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps and do such acts, deeds and things as may be necessary or desirable to give effects to this Resolution or incidental thereto."

- 6) To appoint Shri Vallabh N. Madhani (DIN: 02209006) as a Whole Time Director & CFO and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 (“Act”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and enactment(s) thereof for the time being in force), the consent of the shareholders be and is hereby accorded for the appointment of Shri Vallabh N. Madhani (DIN: 02209006) as a Whole Time Director & CFO of the Company for a period starting from 14.08.2019 to 31.03.2022 without substantial power of management with the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting and as recommended by Nomination and Remuneration Committee (“Committee”) and approved by the Board, with liberty to the Board of Directors (including Committee) to alter and vary the terms and conditions of the said appointment /remuneration in such manner as deemed fit necessary.

**RESOLVED FURTHER THAT** the remuneration payable to Shri Vallabh N. Madhani, shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 and Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the remuneration payable to Shri Vallabh N. Madhani, Whole Time Director & CFO by way of salary, perquisites and allowances shall not exceed the maximum remuneration payable in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 with liberty to the Board / Committee to decide the breakup of the remuneration from time to time in consultation with the Whole Time Director & CFO.

**RESOLVED FURTHER THAT** Shri Vallabh N. Madhani, Whole Time Director & CFO be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him by the Board.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient, to give effect to the aforesaid resolution.”

- 7) To approve remuneration of the Cost Auditors for the financial year 2020-21 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Y. S. Thakar & Co., Cost Accountants, who has been appointed as the Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2020-21, be paid the remuneration of ₹ 65,000/- plus applicable taxes / levies and reimbursement of actual out of pocket expenses.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps and do such acts, deeds and things as may be necessary or desirable to give effects to this Resolution or incidental thereto.”

**Regd. Office:**

Makarpura, Vadodara  
Gujarat – 390 014.

**Date** : June 10, 2020

**CIN** : L31100GJ1967PLC001437

**e-mail** : vnm\_ipo@voltamtransformers.com

**BY ORDER OF THE BOARD OF DIRECTORS**

**SANKET RATHOD**  
**COMPANY SECRETARY**

**NOTES:**

- 1) AN EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE MEETING IS ANNEXED HERETO.
- 2) In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020 and General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. Hence member can attend and participate in the ensuing AGM through VC / OAVM.  
  
Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 read with the Circulars issued by MCA and SEBI, 53<sup>rd</sup> AGM of the Company shall be conducted through VC / OAVM. National Securities Depositories Limited ('NSDL') will be providing facility for remote e-voting participation in the AGM through VC / OAVM and e-voting during the AGM.
- 3) A proxy is allowed to be appointed under Section 105 of the Companies Act, 2013 to attend and vote at the general meeting on behalf of a member who is not able to attend personally. Since the AGM will be conducted through VC / OAVM, there is no requirement of appointment of proxies. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
- 4) Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM through VC / OAVM, pursuant to Section 113 of the Act, at [vnm\\_ipo@voltamptransformers.com](mailto:vnm_ipo@voltamptransformers.com)
- 5) The attendance of the members attending the AGM through VC/ OVAM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.
- 6) Register of Members and Share Transfer Books will remain closed from Friday, 07<sup>th</sup> August, 2020 to Friday, 14<sup>th</sup> August, 2020 (Both days inclusive).
- 7) In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars the Notice of AGM alongwith Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2019-20 has been uploaded on the website of the Company at [www.voltamptransformers.com](http://www.voltamptransformers.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](http://www.bseindia.com) and [www.nseindia.com](http://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](http://www.evoting.nsdl.com). Investors are requested to register their e-mail addresses with Link Intime India Pvt. Ltd. if shares are held in physical mode OR with their Depository Participant (s), if the shares are held in electronic mode.
- 8) The recorded transcript of the forthcoming AGM on 14<sup>th</sup> August, 2020, shall also be made available on the website of the Company [www.voltamptransformers.com](http://www.voltamptransformers.com) in the investor desk section as soon as possible after the meeting is over.

**PROCEDURE FOR ATTENDING THE AGM THROUGH VC / OVAM:**

- 9) Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- 10) Members are requested to join the Meeting through Laptops for better experience and will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connected 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.



- 11) The Members can join the AGM in the VC/ OVAM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the notice. Members may note that the VC / OAVM Facility, provided by NSDL, allows participation of at least 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. 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. can attend the AGM without any restriction on account of first-come-first-served principle.
- 12) Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) /1800-222-990 or contact Mr. Amit Vishal, Senior Manager, NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) /+91 9920264780 or Ms. Pallavi Mhatre, Manager, at [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) / +91-75066 82281.

**PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:**

- 13) As the AGM is being conducted through VC / OAVM, members are encouraged to express their views / send their queries in advance mentioning their name, DP Id and Client Id/Folio No. e-mail id, mobile number at [vnm\\_ipo@voltamptransformers.com](mailto:vnm_ipo@voltamptransformers.com) to enable smooth conduct of proceedings at the AGM. Questions / Queries received by the Company on or before Wednesday, 12<sup>th</sup> August, 2020 on the aforementioned e-mail id shall only be considered and responded to during the AGM.
- 14) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP Id and Client Id / Folio No., PAN, mobile number at [vnm\\_ipo@voltamptransformers.com](mailto:vnm_ipo@voltamptransformers.com) on or before Wednesday, 12<sup>th</sup> August, 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.
- 15) The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the AGM.

**PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:**

- 16) In compliance with provisions of Section 108 of the Companies Act, 2013; Rule 20 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force); Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS- 2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide Members with a facility to exercise their right to vote by electronic means for the business to be transacted at the AGM.
- 17) Members whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e., Friday, 07<sup>th</sup> August, 2020 shall only be entitled to attend and vote at the AGM. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
- 18) Members whose email address are not registered can register the same in the following manner:
  - a) The members who have not registered their email addresses with the Company are requested to kindly register their email addresses with the Company by sending request on Company email id [vnm\\_ipo@voltamptransformers.com](mailto:vnm_ipo@voltamptransformers.com).
  - b) Members holding share(s) in electronic mode are requested to register / update their e-mail address with their respective Depository Participants ("DPs") for receiving all communications from the Company electronically.
- 19) The remote e-voting period commences on Tuesday, 11<sup>th</sup> August, 2020 (9:00 A.M. IST) and ends on Thursday, 13<sup>th</sup> August, 2020 (5:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Friday, 07<sup>th</sup> August 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Members, the Member shall not be allowed to change it subsequently.

In addition, the facility for voting through electronic voting system shall also be made available during The AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote

through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting.

**20) The procedure and instructions for remote e-voting are given below:**

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

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

**Details on Step 1 to log in to NSDL e-voting system are mentioned below:**

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under “Shareholders” section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e., cast your vote electronically.
4. Your User ID details are given below:

<b>Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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 No. registered with the company For example, if EVEN is 123456 and Folio No. is 001*** then user ID is 123456001***

5. Your password details are given below:
  - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you by NSDL. 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 in your mailbox from [evoting@nsdl.com](mailto:evoting@nsdl.com). Open the email and open the attachment i.e., a .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 No. for shares held in physical form. The pdf file contains your ‘User Id’ and your ‘initial password’.
    - ii) In case you have not registered your email address with the Company/ Depository, please follow instructions mentioned above in this notice.
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](https://www.evoting.nsdl.com/).

- b) **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto:evoting@nsdl.co.in) in mentioning your demat account number / Folio No., your PAN, your name and your registered address.
  - d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, click on Agree to “Terms and Conditions” by selecting on the check box.
  8. Now, you will have to click on “Login” button.
  9. After you click on the “Login” button, Home page of e-voting will open.

**Details on Step 2 to cast vote electronically on NSDL e-Voting System are mentioned below:**

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company, which is XXXXXX.
4. Now you are ready for e-voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**Procedure for E- Voting on the day of the AGM:**

1. Only those members who will be present in the AGM through VC / OAVM facility and have not cast their Vote on the Resolutions by remote e-voting prior to the AGM shall be entitled to cast their vote through the e-voting system at the AGM.
2. The procedure for e-voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.

**GENERAL INFORMATION FOR SHAREHOLDERS**

- 21) 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 <https://www.evoting.nsdl.com/> to reset the password.
- 22) The voting rights shall be as per the number of equity shares held by the Member(s) as on Friday, 07<sup>th</sup> August, 2020, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- 23) Mr. Vijay Bhatt of M/s. Vijay Bhatt & Co., Company Secretaries, (Membership No. FCS: 4900) (Address 110, Rajvee Tower, Near Tube Company, Old Padra Road, Vadodara - 390 020) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

- 24) The results of the electronic voting shall be declared to the Stock Exchanges after the conclusion of AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company at [www.voltamptransformers.com](http://www.voltamptransformers.com).
- 25) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 07<sup>th</sup> August, 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- 26) In terms of the provisions of Section 124 of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Government. Accordingly, the unclaimed dividend in respect of financial year 2012-13 is due for transfer to the IEPF by September, 2020.
- Pursuant to section 124(6) of the Companies Act, 2013, as amended and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (the IEPF Rules, 2016) all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more will become due for transfer to the IEPF Demat account. Shareholders may note that the unclaimed dividend amount transferred to IEPF and the shares transferred to the Demat Account of the IEPF Authority including all benefits accruing on such shares, if any, can be claimed back by them from the IEPF Authority by making an online application in Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with the fee prescribed to the IEPF authority with a copy to the Company.
- 27) All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode basis the request being sent on [vnv\\_ipo@voltamptransformers.com](mailto:vnv_ipo@voltamptransformers.com) till the date of AGM.
- 28) An explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special businesses specified above is annexed hereto.
- 29) Pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance, the information about the Directors proposed to be appointed/ re-appointed at the Annual General Meeting is given in the Annexure to the Notice.
- 30) Members holding shares in dematerialised form may please note that, while opening a depository account with Participants they may have given their bank account details, which will be printed on their dividend warrants. However, if Members want to change/correct the bank account details, they should send the same immediately to the Depository Participant concerned. Members are also requested to give the MICR code of their bank to their Depository Participant. The Company will not entertain any direct request from Members for cancellation/change in the bank account details furnished by Depository Participants to the Company.
- 31) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent or the Company.

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**Item No. 4**

Shri Kanubhai S. Patel has been associated with VOLTAMP Group since more than 38 years. He holds a commerce degree from the M. S. University, Vadodara and is a fellow Member of the Institute of Chartered Accountants of India and also the Institute of Company Secretaries of India. He has also attended advance management programme conducted by the Kellogg School of Business (USA). He has vast experience in the field of Finance, Marketing and commercial matters and also the general management of the Company, including strategic planning.

Shri Kanubhai S. Patel was re-appointed as a CEO & Managing Director of the Company by the Board of Directors at their meeting held on 29<sup>th</sup> January, 2010 and thereafter by the shareholders at the 43<sup>rd</sup> Annual General Meeting held on 30<sup>th</sup> July, 2010, for a period of five years upto 10<sup>th</sup> February, 2015.

Thereafter, on retirement of the earlier Chairman Shri Lalitbhai H. Patel, Shri Kanubhai S. Patel has been appointed as a Chairman by the Board of Directors at their meeting held on 17<sup>th</sup> May, 2013 and thus, he has been re-designated as a Chairman and Managing Director, w.e.f. 17<sup>th</sup> May, 2013.

At the 48<sup>th</sup> Annual General Meeting of the Company, he was reappointed as Chairman & Managing Director of the Company, for period of five years upto 10<sup>th</sup> February, 2020.

In recognition to long services rendered by him to the Company and his knowledge and experience and as recommended by the Nomination and Remuneration Committee at their meeting held on 10<sup>th</sup> February, 2020, the Board of Directors of the Company, at its meeting held on 10<sup>th</sup> February, 2020, subject to the approval of members, re-appointed Shri Kanubhai S. Patel as Chairman & Managing Director for a further period of five (5) years commencing from 11<sup>th</sup> February, 2020 to 10<sup>th</sup> February, 2025.

Looking to his contribution in the growth and working of the Company and his truly dedicated efforts throughout his long association with the company, it is in the interest of the Company to re-appoint him for a further period of five (5) years.

The terms and conditions, including remuneration payable to Shri Kanubhai S. Patel are contained in the resolution at item no.4 of the accompanying notice.

Except Shri Kanubhai S. Patel, none of the other Directors and Key Managerial Personnel of the Company or their relatives, are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board commends the Special Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

**Item No. 5**

The Board of Directors of the Company by resolution dated 10<sup>th</sup> February, 2020, reappointed Shri Hemant P. Shaparia, for the term of five years starting from 18.03.2020 to 17.03.2025 which is subject to approval of shareholders by special resolution at the Annual General Meeting of the Company. In terms of Section 149 and any other applicable provisions, if any, of the Companies Act, 2013, Shri Hemant P. Shaparia is proposed to be reappointed as an Independent Director for five (5) consecutive years effective from 18<sup>th</sup> March, 2020 to 17<sup>th</sup> March, 2025. Shri Hemant P. Shaparia is not disqualified from being reappointed as Directors in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received a declaration from Shri Hemant P. Shaparia that he meets with the criteria of independence as prescribed in section 149 of the Act and regulation 16 of the SEBI (Listing obligation and Disclosure Requirements) Regulations 2015. In the opinion of the Board, Shri Hemant P. Shaparia fulfills the conditions for re-appointment as an Independent Director as specified in the Act and rules made thereunder and is independent from the Management. Copy of the draft letter for reappointment of Shri Hemant P. Shaparia as an Independent Director setting out the terms and conditions of his appointment would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Hemant P. Shaparia as an Independent Director.

Except Shri Hemant P. Shaparia, none of the other Directors and Key Managerial Personnel of the Company or their relatives, are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

#### **Item No. 6**

Based on the recommendation of the Nomination and Remuneration Committee and keeping in view of his vast experience and exposure in Banking, Legal and finance and Company law matter, the Board of Directors of the Company at its meeting held on 14<sup>th</sup> August, 2019, has appointed Shri Vallabh N. Madhani as a Whole Time Director & CFO for a period starting from 14/08/2019 to 31/03/2022, subject to approval of the members of the Company.

Shri Vallabh N. Madhani aged 59 years, is B.Com; LL.B. (Special); D.T.P. and A.C.S. He is looking after the Company Law matters, Banking & Finance, Fund Management, Legal Compliance, Insurance, etc of the Company. He is also holding position as a Chief Financial Officer of the Company.

The terms and condition of his appointment are as under:

#### **Remuneration:**

1. He will be paid Basic Salary of ₹ 1,50,000 per month, with yearly increment as may be decided by the Managing Director of the Company.
2. Perquisites : -
  - a) House Rent Allowance : ₹ 60,000 P.M.
  - b) Vehicle Maintenance Allowance : ₹ 19,500 P.M.
  - c) Medical Benefits : As per the rule of the Company
  - d) Leave Encashment : As per the rule of the Company with full pay and unavailed leaves can be encashed at the end of tenure. Encashment of leave at the end of the tenure will not be included in the Computation of ceiling of perquisites.
  - e) Personal Accident Insurance : As per the rule of the Company
  - f) Bonus : As per the rule of the Company
  - g) The Company shall contribute to Provident Fund to the extent not taxable under the Income Tax Act and Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. The Gratuity payable should not exceed 15 days salary for each completed year of total services rendered in the Company.
  - h) Car & Telephone : The Company shall provide a Car for use of Company's business as per the Company Policy. The cell phone facility for Company's business will be provided at Company's cost.

If the Company has no profits or the profits are inadequate in any financial year, he shall be entitled to receive the above remuneration and perquisites as minimum remuneration.

His term of office as a Whole Time Director & Chief Financial Officer of the Company shall be subject to retirement by rotation pursuant to the applicable provisions of the Companies Act, 2013.

The above may be treated as a written memorandum setting out the terms of appointment of Shri Vallabh N. Madhani under Section 190 of the Act.

Except Shri Vallabh N. Madhani, none of the other Directors and Key Managerial Personnel of the Company or their relatives, are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board commends the Special Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

**Item No. 7**

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Y. S. Thakar & Co., Cost Accountants as the Cost Auditors and remuneration payable to them, to conduct the audit of the cost records of the Company for the financial year 2020-21. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

None of the Directors and Key Managerial Personnel of the Company or their relatives, are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board commends the Ordinary Resolution set out at Item No.7 of the Notice for approval by the shareholders.

**Regd. Office:**

Makarpura, Vadodara  
Gujarat – 390 014.

**Date : June 10, 2020**

**CIN : L31100GJ1967PLC001437**

**e-mail : vnm\_ipo@voltamptransformers.com**

**BY ORDER OF THE BOARD OF DIRECTORS**

**SANKET RATHOD  
COMPANY SECRETARY**

**ADDITIONAL INFORMATION OF DIRECTORS' RECOMMENDED FOR APPOINTMENT / REAPPOINTMENT AS REQUIRED UNDER REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015.**

Brief Resume of Director and their expertise in functional areas (Relationship with other Directors)	Directorship/ Committee Membership in other Companies	Date of Birth & Shareholding in Voltamp Transformers Ltd.
<p><b>1) Shri Kunjalbhai L. Patel (DIN No. 0008354)</b></p> <p>Shri Kunjalbhai L. Patel, age 48 years, Vice Chairman and Managing Director, is associated with the Company since 1994, and holding degree in Electrical Engineering from the M. S. University of Vadodara, Gujarat. He has 25 years of experience in production, marketing, sales after services and general management of the Company. He is in charge of general management comprising of purchase and planning, technical aspects of quality control, manufacturing &amp; design aspects of transformers. (Not related with any Director / KMP of the Company)</p>	Nil	19/04/1972 7,14,087
<p><b>2) Shri Kanubhai S. Patel (DIN No. 0008395)</b></p> <p>Shri Kanubhai S. Patel, age 63 years, Chairman and Managing Director, is associated with VOLTAMP GROUP since more than 38 years. He holds a Commerce degree from The M.S. University, Vadodara and is a fellow Member of the Institute of Chartered Accountants of India and also the Institute of Company Secretaries of India. He has also attended advance management programme conducted by the Kellogg School of Business (USA). He has vast experience of more than 3 decades in the field of Finance, Marketing and Commercial Matters and also the General Management of the Company. He also worked for short tenures with Atul Products Ltd., Bombay Dyeing &amp; Manufacturing Company Ltd. and Cadbury India Ltd. (Not related with any Director / KMP of the Company)</p>	<p><b>Directorship</b> 1. Paramount Limited</p>	03/05/1957 1
<p><b>3) Shri Hemantbhai P. Shaparia (DIN No. 00053392)</b></p> <p>Shri Hemant P. Shaparia, age 49 years, is a graduate from Mumbai University and having vast experience in providing financial and management consultancy services like capital raising, loan syndication, mergers and acquisition, foreign collaborations and joint ventures and corporate law matters. He is presently a member of CII – Gujarat Council and also a member of EHASAS (an organization set up for the sustainable development for the society in the field of Education, Health, Sports, Art and Culture). He is a Director of Synergy Financial Services Pvt. Ltd., Rajkot since last 23 years. (Not related with any Director / KMP of the Company).</p>	<p><b>Directorship</b> 1. Synergy Financial Services Pvt. Ltd. 2. Solitaire Star Avenue Maintenance Pvt. Ltd. <b>Designated Partner</b> 1. Gather Health Technologies LLP</p>	17/12/1970 1
<p><b>4) Shri Vallabh N. Madhani (DIN No. 02209006)</b></p> <p>Shri Vallabh N. Madhani, 59 years, is a B.Com; LL.B. (Special); D.T.P. and A.C.S. He has over 30 years experience in the field of Company Law matters, Banking &amp; Finance, Fund Management, Legal Compliance, Insurance, etc. He has been working with the Company since 1997. (Not related with any Director / KMP of the Company)</p>	<p><b>Directorship</b> Nil</p>	27/03/1961 15



## DIRECTORS' REPORT

To,  
Dear Shareholders,

Your Directors have pleasure in presenting the 53<sup>rd</sup> Directors' Report and Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS:

(₹ in Lakhs)

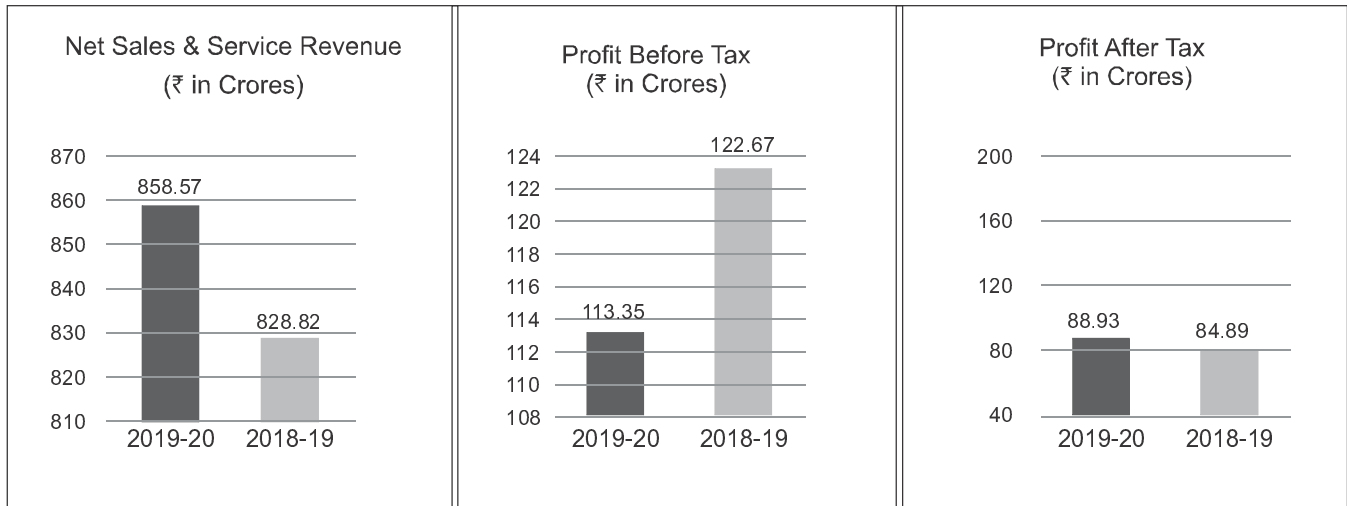
PARTICULARS	2019-2020	2018-2019
Net Sales and Service Income	85,857.58	82,882.80
Profit before Finance cost and Depreciation	12,235.32	12,983.67
Finance Cost	0.46	0.49
Depreciation	899.24	715.37
<b>Profit Before Tax</b>	<b>11,335.60</b>	<b>12,267.81</b>
Current Tax	2,990.48	3,450.28
Deferred Tax	(619.57)	321.98
Income Tax of earlier year	26.98	11.66
<b>Net profit after Tax before comprehensive Income / (loss)</b>	<b>8,937.72</b>	<b>8,483.89</b>
Other Comprehensive Income / (loss)	(43.86)	5.31
<b>Net Profit after Tax</b>	<b>8,893.85</b>	<b>8,489.20</b>

### PERFORMANCE REVIEW & IMPACT OF COVID-19:

During the year under review, the Company has posted a ever highest sales and service revenue of ₹ 858.57 crores as compared to ₹ 828.82 crore in the previous year in spite of inspection and despatches got impacted from 20<sup>th</sup> March, 2020 due to imposition of countrywide lockdown. The sales in terms of volume decreased to 10297 MVA as compared to 11053 MVA in the previous year. The sales in terms of volume reduced on account of selling of more numbers of smaller rating transformers in comparison to higher rating transformers. In spite of healthy improvement in operating profit, the profit before tax (PBT) decreased to ₹ 113.35 crores, as compared to ₹ 122.67 crores in the previous year mainly due to mark to market losses of investment. As per IND AS 109 – 'Financial Instruments', the investment of the Company are valued at market prices and the difference between the cost and market value of the investments are accounted as part of other income. The break up of the reported figures are arrived as per working given hereunder.

Particulars	Quarter ended 31 <sup>st</sup> March, 2020	Quarter ended 31 <sup>st</sup> December, 2019	Quarter ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
Other Income (A)	(1458.58)	1257.22	1347.14	1456.23	3624.87
Adjustment for fair value of investments (Marked to Market price) (B)	(1993.15)	524.53	649.68	(984.13)	1580.93
Other income after adjustment (A-B)	534.57	732.69	697.46	2440.36	2043.94

Profit After Tax (PAT) increased to ₹ 88.93 crores, as compared to ₹ 84.89 crores in the previous year.



In March, 2020, the World Health Organization declared COVID-19 outbreak to be a pandemic and consequent to this, the Gujarat Government had imposed curfew from 23<sup>rd</sup> March, 2020 before countrywide lockdown announcement from 25<sup>th</sup> March, 2020. So Company's operations came to standstill since 23<sup>rd</sup> March, 2020. All the manufacturing units of the Company, and marketing offices were shut down during the lockdown period. Partial opening of factories operations were permitted from last week of April, 2020 but no worthwhile production activities could commence till 31<sup>st</sup> May, 2020. All safety protocols related to COVID-19, as advised by the Government are being strictly adhered to and Company has enabled working from home option, social distance measures, sanitization and thermal screening of employees and all defensive actions as a part of daily functioning of factory offices/ operations. The Company has adopted, wherever feasible, work from home policy during the lockdown period for limited functions. During the lockdown period the Company accorded paramount priority to employee health and safety and ensured that its commitment towards payment to the vendors and work force are duly met.

Focused efforts are made on cash conservation, cost reductions and tightly controlling inventory and receivables levels. It is difficult at this stage to assess the impact of Covid-19 on the revenue and profitability of FY:2020-2021. However the Company anticipate its net sales and profitability to contract during the first half of FY:2020-21 with sub optimal level of operations.

The financial year 2020-2021 started with an order backlog of ₹ 388.32 crores (5797 MVA).

The Company has initiated action to revisit all pending orders by obtaining fresh confirmation from customers about their preparedness to accept delivery and release payments as per the agreed delivery schedule.

Currently there is uncertainty on pace of recovery, but management is making sure that Organization remains fully energized during the period and ready to bounce back on the next opportunity.

For detailed analysis of the performance, please refer to the Management Discussion and Analysis section of the Annual Report given in Annexure-IV.

#### **DIVIDEND:**

The Board of Directors in its meeting held on 11<sup>th</sup> May, 2020 declared an interim dividend of ₹ 25 per equity share of face value of ₹ 10 each for FY 2019-20 to all the shareholders whose name appeared on the register of members as on 19<sup>th</sup> May, 2020 being the record date fixed for this purpose. The interim dividend had been declared and paid.

#### **AMOUNT PROPOSED TO BE TRANSFERRED TO RESERVES :**

Directors do not propose to transfer any amount to reserves.

#### **AMALGAMATION :**

The Board of Directors of the Company, at its meeting held on 11<sup>th</sup> May, 2020 have considered and approved a Scheme of Amalgamation (the "Scheme") between the Voltamp Transformers Limited ("VTL" or "Company") and Kunjal Investments Private Limited ("KIPL"), under Sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 ("2013 Act").

The Scheme is subject to the receipt of requisite approval from the statutory authorities including SEBI, Stock Exchanges, the National Company Law Tribunal, Reserve Bank of India and the respective shareholders and creditors of the Company and Kunjal Investments Pvt. Ltd (KIPL).

The scheme contemplates the amalgamation of KIPL with the Company and the dissolution without winding up of KIPL pursuant thereto. The appointed date for the scheme is 1<sup>st</sup> June, 2020 or such other date as may be fixed or approved by the National Company Law Tribunal (NCLT) as and when applicable.

**CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

There is no change in the nature of business during the financial year 2019-20.

**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 the report.

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

During the year 2019-20 no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:**

Your Company has no Subsidiary/Joint Ventures/Associate Companies.

**DEPOSITS:**

Your Company has not accepted any deposit during the year and there was no deposit at the beginning of the year. Therefore, Chapter V of the Companies Act 2013 relating to acceptance of deposits is not applicable and hence, no detail of the deposit is given in the report.

**SHARE CAPITAL:**

During the year under review, the Company has neither issued any securities nor has taken any Corporate Action for cancellation of issued securities, hence, there is no change in share capital structure of the Company.

**TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:**

The unclaimed dividend amount aggregating to ₹ 1,62,090 for the financial year ended on 31<sup>st</sup> March, 2012 was transferred to the Investor Education and Protection Fund established by the Central Government, during the financial year ended March 31, 2020, pursuant to Section 124 of the Companies Act, 2013.

**DISCLOSURE OF PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The disclosure of particulars relating to conservation of energy and technology absorption and foreign exchange earnings and outgo as required by Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is given in **Annexure - I**.

**EMPLOYEES:**

The industrial relations during the year under review have remained cordial and satisfactory. The Board thanks all the Employees for their valuable contribution to the working of the Company.

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees and the Disclosure pertaining to remuneration and other details are set out in the **Annexure - II** to the Directors' Report. However, as per the provisions of Section 136(1) of the Companies Act, 2013, the Directors' Report is being sent to the shareholders without this Annexure. Shareholders interested in obtaining a copy of the Annexure may write to the Company Secretary at the Company's Registered Office.

**CORPORATE GOVERNANCE:**

In compliance with Regulation 34 of the SEBI (Listing Obligation and Disclosures Requirement) Regulations 2015, a separate report on Corporate Governance is given in **Annexure -III** along with certificate from M/s. CNK & Associates LLP, Chartered Accountant (FRN : 101961W), confirming compliance with the requirement of Corporate Governance.

## **MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis Report is given in **Annexure - IV**.

### **STATUTORY AUDITORS:**

At the 50<sup>th</sup> Annual General Meeting held on 12<sup>th</sup> August, 2017, M/s. CNK & Associates LLP, Chartered Accountant (FRN: 101961W), were appointed as Statutory Auditors of the Company to hold the office till the conclusion of the Annual General Meeting to be held in the year 2022 subject to ratification by the shareholders every year, if so required under law. Pursuant to the recent amendment to Section 139 of the Act effective 7<sup>th</sup> May, 2018, ratification by Shareholders every year for the appointment of the Statutory Auditors is no longer required and accordingly the Notice of ensuing Annual General Meeting does not include the proposal for seeking Shareholders approval for ratification of Statutory Auditors appointment.

### **AUDIT COMMITTEE:**

Powers and role of the Audit Committee are included in Corporate Governance Report.

### **COST AUDITORS:**

Pursuant to provisions of section 148 of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, the Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Y. S. Thakar & Co., Cost Accountants as the Cost Auditors and remuneration payable to them, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021. The Company has received a letter from M/s. Y. S. Thakar & Co., Cost Accountant, Vadodara showing their willingness to be appointed as a cost Auditors stating that they are not disqualified under section 148(2) read with section 141(3) of the Companies Act, 2013.

### **SECRETARIAL AUDITORS:**

The Board of Directors of the Company has appointed M/s. J. J. Gandhi & Company, Practicing Company Secretaries, Vadodara, to conduct the Secretarial Audit, pursuant to section 204 of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and their report, viz. Secretarial Audit Report in Form MR-3 is appended to this Report as **Annexure V**.

### **STATUTORY AUDITORS' REPORT & SECRETARIAL AUDITORS' REPORT:**

Neither the Statutory Auditor nor the Secretarial auditor of the Company, in their respective reports, have made any qualifications, reservations or adverse remarks.

### **RISK MANAGEMENT POLICY AND INTERNAL FINANCE CONTROL ADEQUACY:**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks in achieving key objectives of the Company. The Company has developed and implemented Risk Management Policy of the Company 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 internal control systems are commensurate with the nature, size and complexity of the business of the Company. These are routinely tested and certified by Statutory as well as Internal Auditors.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

The Board of Directors of the Company at their meeting held on 14<sup>th</sup> August, 2019 have appointed Shri Vallabh N. Madhani as a Whole Time Director & CFO of the Company for the period from 14.08.2019 to 31.03.2022. Appropriate resolution for the appointment of Shri Vallabh N. Madhani as a Whole Time Director & CFO of the Company is being placed for the approval of shareholders of the Company at this AGM. The brief resume and other related information has been detailed in the Notice convening 53<sup>rd</sup> AGM of the Company.

The tenure of appointment of Shri Kanubhai S. Patel as a Chairman and Managing Director of the Company, has expired on 10.02.2020, he has been reappointed as a Chairman and Managing Director, liable to retire by rotation, for a further period of five (5) years, w.e.f. 11.02.2020 to 10.02.2025, by the Board of Directors at their meeting held on 10<sup>th</sup> February, 2020, subject to approval of the shareholders. The brief resume and other related information has been detailed in the Notice convening 53<sup>rd</sup> AGM of the Company.

The Board of Directors of the Company at their meeting held on 10<sup>th</sup> February, 2020 have reappointed Shri Hemantbhai P. Shaparia as an Independent Director of the Company for tenure of further 5 years from 18.03.2020 to 17.03.2025. Appropriate resolution for the reappointment of Shri Hemant P Shaparia as an Independent Director of the Company is

being placed for the approval of shareholders of the Company at this AGM. The brief resume and other related information has been detailed in the Notice convening 53<sup>rd</sup> AGM of the Company.

During the year, there is no other change in Key Managerial Personnel of the Company.

**RETIREMENT BY ROTATION AND SUBSEQUENT RE-APPOINTMENT:**

Shri Kunjalbhai L. Patel, Vice Chairman and Managing Director of the Company is liable to retire by rotation at this 53<sup>rd</sup> AGM, pursuant to section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rule, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and being eligible, has offered himself for re-appointment. Appropriate resolution for his reappointment is being placed for the approval of shareholders of the Company at this AGM.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- (a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that 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 the end of the financial year and of the profit and loss of the company for that period;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) annual accounts have been prepared on a going concern basis;
- (e) internal financial controls to be followed by the company have been laid down and that such internal financial controls are adequate and are operating effectively. and
- (f) proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems are adequate and operating effectively.

**INDEPENDENT DIRECTORS:**

The Independent Directors hold office for a fixed term and are not liable to retire by rotation.

Each Independent Director has given written declaration to the Company confirming that he/she meets the criteria of independence as mentioned under Section 149(6) of the Act and regulation 16(1)(b) of the Listing Obligations and Disclosures Requirements Regulations, 2015. The Independent Directors have also submitted a declaration that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence, pursuant to Regulation 25 of the Listing Obligations and Disclosures Requirements Regulations, 2015.

**NUMBER OF MEETINGS OF THE BOARD:**

The Company has complied with the provisions for holding Board Meetings and the gap between any two meetings did not exceed 120 days. During the financial year under review, four Board Meetings were held, viz. on 29<sup>th</sup> May, 2019, 14<sup>th</sup> August, 2019, 11<sup>th</sup> November, 2019, and 10<sup>th</sup> February, 2020.

**POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS:**

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, is appended as **Annexure - VI** to this Report. The Policy has been posted on the website of the Company ([http://www.voltamptransformers.com/pdf/nomination\\_remuneration\\_policy.pdf](http://www.voltamptransformers.com/pdf/nomination_remuneration_policy.pdf))

**ANNUAL EVALUATION BY THE BOARD:**

The evaluation framework for assessing the performance of Board including the individual Directors are based on certain key measures, viz. Attendance of Board Meetings and the Committee Meetings, qualitative contribution in deliberations on agenda items, long term view in the inputs regarding development and sustainability of the Company and consideration of shareholders and other stakeholders' interests.



The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board does not participate in the discussion of his / her evaluation. The Board of Directors has expressed their satisfaction to the evaluation process.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

There are no loans, guarantees or investments falling under section 186 of the Companies Act, 2013. Investments not falling under purview of this and made by the Company are given in the Notes to the financial statements.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED UNDER SECTION 188(1):**

There are no contracts or arrangements entered into with related parties, except payment of managerial remuneration to MDs and Whole-time Directors. Further, the policy on Related Party Transactions duly approved by the Board of Directors of the Company has been posted on the website of the Company. ([http://www.voltamptransformers.com/pdf/related\\_party\\_transactions\\_policy.pdf](http://www.voltamptransformers.com/pdf/related_party_transactions_policy.pdf)).

**CORPORATE SOCIAL RESPONSIBILITY:**

The Corporate Social Responsibility (CSR) Committee was constituted by the Board of Directors, pursuant to Section 135 of the Companies Act, 2013 and CSR policy has also been framed by the Board as per the said Section and the Rules made thereunder. The Policy on CSR has been posted on the website of the Company ([http://www.voltamptransformers.com/pdf/corporate\\_social\\_responsibility\\_policy.pdf](http://www.voltamptransformers.com/pdf/corporate_social_responsibility_policy.pdf)).

The details about initiatives taken by the Company on Corporate Social Responsibility during the year is appended at **Annexure - VII** of the report.

**EXTRACT OF ANNUAL RETURN:**

Extract of Annual Return in Form MGT-9 as on 31.03.2020 is appended to this Report as **Annexure VIII**.

In compliance with section 134(3)(a) of the Act, Annual Return of the Company can be accessed at <http://www.voltamptransformers.com>.

**WHISTLE BLOWER POLICY:**

The Whistle Blower Policy (Vigil Mechanism) was constituted by the Board of Directors, pursuant to Section 177 of the Companies Act, 2013 and the Rules made thereunder to report genuine concerns of Directors and Employees. The Policy has been posted on the website of the Company ([http://www.voltamptransformers.com/pdf/whistle\\_blower\\_policy.pdf](http://www.voltamptransformers.com/pdf/whistle_blower_policy.pdf)).

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, no complaints were reported to the Board.

**BUSINESS RESPONSIBILITY REPORT:**

As stipulated under the requirement of the clause f of sub regulation (2) of Regulation 34 of SEBI (LODR), the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective is attached in the format prescribed as **Annexure IX** and forms integral part of the Annual Report.

**APPRECIATION AND ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation for the continued support & co-operation by Banks, Govt. Authorities, Vendors, Customers & other Stakeholders.

The Board also expresses its appreciation towards the contribution made by all the Employees of the Company.

**FOR AND ON BEHALF OF THE BOARD**

**Place : Vadodara**  
**Date : June 10, 2020**

**KANUBHAI S. PATEL**  
**CHAIRMAN & MANAGING DIRECTOR**

## ANNEXURE - I TO THE DIRECTORS' REPORT

### A] CONSERVATION OF ENERGY:

- [a] Energy conservation measures taken:
1. Systematic studies of power consumption to avoid unwanted energy losses.
  2. Creating awareness among all employees to conserve energy.
  3. Use of motion sensor and timer based electric panel in plant.
- [b] Additional investments and proposal if any, being implemented for reduction of consumption of energy:  
Installation of Vacuum Ovening for distribution transformers manufacturing facility.
- [c] Impact of the measures at [a] and [b] above for reduction of energy consumption and consequent impact on the cost of production of goods:  
The various measures taken by the Company have resulted in reduction in consumption of energy and efforts are going on to further reduce the consumption of energy, quality improvement, time saving and the consequent impact on the cost of production.
- [d] Total energy consumption and energy consumption per unit of production as per Form-A: Not Applicable.

### B] TECHNOLOGY ABSORPTION:

Research and Development (R&D):

- [a] Specific areas in which R&D carried out by the Company:
1. Electrostatic field calculation using Electro software.
  2. Impulse Voltage distribution analysis using VLN software from Ukraine.
  3. Short circuit strength calculation using ELDINST from VIT Ukraine.
  4. Temperature rise using SAPRTON from VIT Ukraine.
  5. Development of Ester fluid filled transformer.
  6. Development of 150 MVA 220kV Auto transformer.
  7. Extensive use of partial discharge & impulse test facility.
  8. Development of design software.
  9. Use of LDO instead of HSD.
  10. Use of Finite element based software for transformers parameter analysis.
- [b] Benefits derived as a result of the above R&D :
1. Transformer is able to withstand severe short circuit, impulse voltage distribution conditions without damage, hence reliability is ensured.
  2. Price Competitiveness.
  3. Improvement in quality with cost saving.
  4. Higher rating transformers winding become easier and with better quality.
  5. First time right manufacturing reduces trial and error efforts
- [c] Further plan of action:
1. Continued emphasis on development of cost effective components and work on import substitution.
  2. Identification and narrowing down the gaps in the areas of product, process, manufacturing and information technologies.
  3. Wastage reduction / control by implementation of 5-S.
  4. Solar panel installation for office building, power supply.
  5. Web based testing facility to avoid physical travelling of customer representative. This will save time and cost.

Technology Absorption, Adaptation and Innovation:

- [a] Efforts, in brief, made towards technology absorption, adaptation and innovation:  
Extensive training in technical and management fields with a special emphasis on Total Quality Management.
- [b] Benefits derived as a result of the above efforts: Improvement in product quality.
- [c] Technology imported during the last five years: The Company has executed technical license agreement with PROCOM, Germany for getting Aluminum Foil Winding Technology.

### C] FOREIGN EXCHANGE EARNINGS AND OUTGO:

- [a] Foreign Exchange used : ₹ 6,07,89,968
- [b] Foreign Exchange earned : ₹ 1,75,12,970

## ANNEXURE - III TO THE DIRECTORS' REPORT

### CORPORATE GOVERNANCE REPORT:

#### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Our Corporate Governance practices fosters a culture of ethical behavior and fair disclosures, which aims to build trust of our stakeholders. The Company has established systems and procedures to ensure that its Board is well-informed and well equipped to fulfill its overall responsibilities and to provide the management with the strategic direction needed to create long term shareholders value. It ensures fairness, transparency, accountability, and integrity of the management. The Corporate Governance philosophy of the Company has been further strengthening through the Company's Code of Conduct, Code for Fair Disclosure and Code for Prevention of Insider Trading.

#### 2. BOARD OF DIRECTORS:

In terms of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), at least 50% of the Board should comprise of non-executive independent Directors with at least one Woman Director. The Company has an optimum combination of executive and non-executive Directors including woman Director. As on 31<sup>st</sup> March, 2020, the Company has 6 (Six) Directors comprising of 3 (Three) Managing and Executive Directors and 3 (Three) Non Executive Independent Directors and 50% of the Board comprises of Non Executive Independent Directors. The Company has one Woman Director on Board. None of the Directors are related inter-se.

**The details of the composition, nature of directorship, the number of meetings attended and the directorships in other Companies as at March 31, 2020 are detailed herein below:**

Name of Director	Position	No. of Board Meetings held and attended during the year 2019-20		Attendance At the Last AGM held on 14.08.2019	Membership of Committees		No. of Directorship in other Companies
		Held	Attended		As a Member	As a Chairman	
Shri Kanubhai S. Patel	C & MD	4	4	Yes	3	Nil	1
Shri Kunjalbhai L. Patel	VC & MD	4	4	Yes	2	1	2
Shri Hemant P. Shaparia	NED & I	4	3	Yes	2	1	2
Dr. (Smt.) Neela A. Shelat	NED & I	4	4	Yes	3	1	Nil
Shri Ashish S. Patel	NED & I	4	3	Yes	3	1	2
Shri Vallabh N. Madhani	WTD & CFO	4	4	Yes	Nil	Nil	Nil

**# C: Chairman, MD: Managing Director, VC: Vice Chairman, NED: Non Executive Director, I: Independent Director**

During the Financial Year 2019-20, four Board Meetings were held on 29<sup>th</sup> May, 2019, 14<sup>th</sup> August, 2019, 11<sup>th</sup> November, 2019, and 10<sup>th</sup> February, 2020.

#### 3. COMMITTEES OF THE BOARD:

Recognizing the immense contribution that committees make in assisting the Board of Directors in discharging its duties and responsibilities and with a view to have a close focus on various facets of the business, the Board has constituted the following four (4) Committees of the Board.

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. CSR Committee.



**(i) Audit Committee:****The term of reference:**

Role of the Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, and Regulation 18 of the SEBI (LODR) Regulations, 2015 and includes:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. Review of following information:
  - (1) Management discussion and analysis of financial condition and results of operations;
  - (2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - (3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - (4) Internal audit reports relating to internal control weaknesses; and
  - (5) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the audit committee.
  - (6) Statement of deviations:
    - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

The Audit Committee of the Company meets as per criteria laid down under Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015.

**Composition and Attendance of Audit Committee Meeting:**

Name of the Directors	Category	Position at the Committee	Number of Meeting attended
Shri Hemant P. Shaparia	NED & I	Chairman	3/4
Shri Kanubhai S. Patel	C & MD	Member	4/4
Shri Ashish S. Patel	NED & I	Member	3/4
Dr. (Smt.) Neela A. Shelat	NED & I	Member	4/4

**# C: Chairman, MD: Managing Director, VC: Vice Chairman, NED: Non-Executive Director, I: Independent Director**

The Committee met four times during the financial year ended 31<sup>st</sup> March, 2020, on 29<sup>th</sup> May, 2019, 14<sup>th</sup> August 2019, 11<sup>th</sup> November, 2019, and 10<sup>th</sup> February, 2020.

**(ii) NOMINATION AND REMUNERATION COMMITTEE:**

**The terms of Reference:**

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, the Company has constituted a Nomination & Remuneration Committee of the Board. All members of the Committee are Non Executive and Independent Directors. The terms of reference of the Committee inter alia, include:

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;
2. Formulation of criteria for evaluation of performance of independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;

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.
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.
6. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

**Composition and Attendance of Nomination and Remuneration Committee Meeting:**

Name of the Directors	Category	Position at the Committee	Number of Meeting attended
Dr. (Smt.) Neela A. Shelat	NED & I	Chairperson	3/3
Shri Hemant P. Shaparia	NED & I	Member	2/3
Shri Ashish S. Patel	NED & I	Member	3/3

The Committee met three times during the financial year ended 31<sup>st</sup> March, 2020, on 29<sup>th</sup> May, 2019, 14<sup>th</sup> August, 2019 and 10<sup>th</sup> February, 2020.

**Remuneration Policy:**

The Company has a credible and transparent policy in determining and accounting for the remuneration of Directors, Key Managerial Personnel & employees of the Company. (Website: [www.voltamptransformers.com/pdf/nomination\\_&\\_remuneration\\_policy.pdf](http://www.voltamptransformers.com/pdf/nomination_&_remuneration_policy.pdf))

**(iii) STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

**The terms of reference:**

In compliance with Section 178 of the Companies Act, 2013 and Regulation 20 and Schedule II, Part D of the SEBI (LODR) Regulations, 2015, a Stakeholders' Relationship Committee of the Board has been constituted. The terms of reference of the Committee inter alia, include:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

**Composition and Attendance of Stakeholders' Relationship Committee Meeting:**

Name of the Directors	Category	Position at the Committee	Number of Meeting attended
Shri Ashish S. Patel	NED & I	Chairman	1/1
Shri Kanubhai S. Patel	C & MD	Member	1/1
Shri Kunjalbhai L. Patel	VC & MD	Member	1/1

# C: Chairman, MD: Managing Director, VC: Vice Chairman, NED: Non-Executive Director, I: Independent Director

During the financial year ended on 31<sup>st</sup> March, 2020, committee met once on 29<sup>th</sup> May, 2019.

**Details of investor complaints received and redressed during the year 2019-20 are as follow:**

Number of shareholders complaints received during the year	Number of complaints resolved during the year	Number of pending complaints at the end of the year
Nil	Nil	Nil

**(iv) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

**The terms of reference:**

In compliance with the section 135 of the Companies Act, 2013 Corporate Social Responsibility (CSR) Committee of the Board has been constituted. The Committee recommend to the Board Budget for CSR activities for the particular financial year, monitor the CSR activities undertaken by the Company. The whole details activities undertaken during the Financial year 2019-20 has been given in **Annexure -VII**.

**Composition and Attendance of CSR Committee Meeting:**

Name of the Directors	Category	Position at the Committee	Number of Meeting attended
Shri Kunjalbhai L. Patel	VC & MD	Chairman	4/4
Shri Kanubhai S. Patel	C & MD	Member	4/4
Dr. (Smt.) Neelaben A. Shelat	NED & I	Member	4/4

**# C: Chairman, MD: Managing Director, VC: Vice Chairman, NED: Non-Executive Director, I: Independent Director**

The Committee met four times during the financial year ended 31<sup>st</sup> March, 2020, on 29<sup>th</sup> May, 2019, 14<sup>th</sup> August, 2019, 11<sup>th</sup> November, 2019, and 10<sup>th</sup> February, 2020.

**4. FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS:**

The Independent Directors have been familiarised with the Company, their roles and responsibilities in the Company, nature of the Industry in which the Company operates, business model of the Company etc. The details of familiarisation programmes imparted to the Independent Directors are put up on the website of the Company and can be accessed at <http://www.voltamptransformers.com/index.php/dashboard/policies>

**5. THE FOLLOWING IS THE LIST OF CORE SKILLS/EXPERTISE/COMPETENCIES IDENTIFIED BY THE BOARD OF DIRECTORS AS REQUIRED IN THE CONTEXT OF ITS BUSINESS(ES) AND SECTOR(S) FOR IT TO FUNCTION EFFECTIVELY AND THOSE ACTUALLY AVAILABLE WITH THE BOARD:**

- i. Knowledge - understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates,
- ii. Behavioural Skills - attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders,
- iii. Strategic thinking and decision making,
- iv. Financial Skills,
- v. Technical/Professional skills and specialized knowledge to assist the ongoing aspects of the business.
- vi. Expertise / Skill of Directors :

Sr No.	Name of the Director	Expertise / Skill
1	Shri Kanubhai S. Patel	Finance, Marketing and Commercial Matters and also the General Management of the Company.
2	Shri Kunjal L. Patel	General management comprising of purchase and planning, technical aspects of quality control, manufacturing & design aspects of transformers.
3	Shri Hemant P. Shaparia	Financial and management consultancy services like capital raising, loan syndication, mergers and acquisition, foreign collaborations and joint ventures and corporate law matters.
4	Shri Ashish S. Patel	General Management, Technical aspects, International Business.
5	Smt. Dr. Neela A. Shelat	Social Activities.
6	Shri V. N. Madhani	Company Law matters, Banking & Finance, Fund Management, Legal Compliance, Insurance, etc.

**6. GENERAL BODY MEETINGS:****(A) Location and time where last three Annual General Meetings were held:**

Financial Year	Date	Time	Venue
2018-19	14-08-2019	10:00 a.m.	Vadodara Chamber of Commerce & Industry, VCCI Commercial Complex, 2 <sup>nd</sup> Floor, 73, GIDC, Makarpura, Vadodara – 390 010.
2017-18	14-08-2018	10:00 a.m.	
2016-17	12-08-2017	10:00 a.m.	

**(B) Special Resolution passed in the last three Annual General Meetings:**

One Special Resolution was passed by the Company in the 51<sup>st</sup> Annual General Meeting held on 14.08.2018.

**(C) Postal Ballot:**

No Special Resolution was passed by the Company in the last three years through postal ballot. As on date, the Company does not have any proposal to pass any special resolution by way of postal ballot.

**7. LIST OF CREDIT RATINGS OBTAINED BY THE COMPANY DURING FINANCIAL YEAR 2019-20:**

BANK FACILITIES	RATING
Long term bank facilities (Fund based)	Care AA; Stable
Long term / Short term bank facilities (Non fund based)	Care AA; Stable /Care A1 +

**8. DISCLOSURES:****(A) Disclosure on materially significant related party transactions:**

There was no materially significant related party transaction during the year having potential conflict with the interest of the Company.

**(B) Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authorities or any matter related to capital markets during the last three years:**

The Company has complied with all the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as regulations and guidelines of SEBI. No penalties have been levied or strictures have been passed by SEBI, Stock Exchange, or any Statutory Authority on the matters relating to the capital market, in the last three years.

**(C) Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee:**

The Company has adopted Whistle Blower Policy. The details in this regard have been mentioned in the Board's Report forming part of this Annual Report.

**(D) Details of compliance with mandatory requirements and adoption of the non- mandatory requirements of this clause:**

The Company has fully complied with mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(E) Confirmation that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these Regulations and are Independent of the Management**

Based on the declaration submitted by the Independent Directors of the Company provided at the beginning of the Financial Year 2019-20, the Board hereby certify that all the Independent Directors appointed by the Company fulfill the conditions specified in these Regulations and are independent of the management.

(F) The details of total fees for all services paid by the Company to the statutory auditor are as under:

Type of Service	Amount (₹) in lakhs
Audit Fee	10.00
Reimbursement of expenses	0.30
Total	10.30

9. MEANS OF COMMUNICATION:

(A) Quarterly Financial Results:

The quarterly/ annual financial results are published in the Business Standard/ the Financial Express (English daily) and Vadodara Samachar (Gujarati). The financial results and the official news releases are also placed on the Company's website [www.voltamptransformers.com](http://www.voltamptransformers.com)

(B) Official News Release:

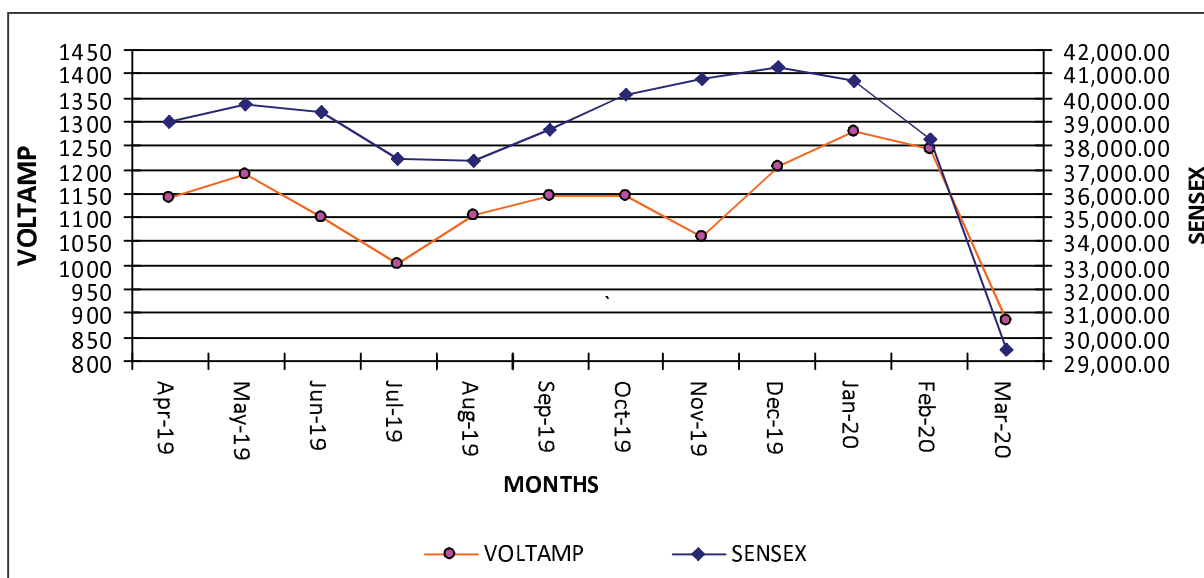
The Company holds conference calls/ one to one meet with analysts and makes necessary presentation to appraise and make available the public information relating to the Company's working and future outlook.

10. GENERAL SHAREHOLDER INFORMATION:

i.	<b>Annual General Meeting:</b>	Date : 14 <sup>th</sup> August, 2020 Time : 10:00 a.m. Venue : Via video conference / other audio visual means and the venue of the meeting shall be deemed to be the Registered office of the Company situated at Makarpura, Vadodara – 390 014.
ii.	<b>Financial Year :</b>	The Company follows April-March as its financial year.
iii.	<b>Date of Book Closure:</b>	7 <sup>th</sup> August, 2020 to 14 <sup>th</sup> August, 2020
iv.	<b>Dividend Payment Date:</b>	The interim dividend for the year 2019-20 was paid on 27.05.2020.
v.	<b>Listing on Stock Exchanges:</b>	BSE Limited National Stock Exchange of India Limited (NSE)
vi.	<b>Stock Code:</b>	532757 VOLTAMP-EQ
vii.	<b>Registrar and Share Transfer Agents:</b>	<b>LINK INTIME INDIA PVT. LTD.</b> B – 102 & 103, Shangrila Complex, 1 <sup>st</sup> Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara 390020.
viii.	<b>Share Transfer System:</b>	The Company's shares are being in compulsory demat list, are transferable through the depository system.
ix.	<b>Plant Location:</b>	Unit – I Makarpura, Vadodara, 390014, Gujarat, India. Unit – II Village Vadadala, Jarod-Samlaya Road, Tehsil Savli, Dist.Vadodara, 391520, Gujarat, India.
x.	<b>Address for correspondence:</b>	<b>Voltamp Transformers Limited</b> Makarpura, Vadodara, 390 014, Gujarat. Email id: vnm_ipo@voltamptransformers.com Website: www.voltamptransformers.com
xi.	<b>Corporate Identification Number:</b>	L31100GJ1967PLC001437
xii.	<b>Compliance Officer:</b>	<b>Shri Sanket Rathod</b> , Company Secretary is the Compliance Officer of the Company and Secretary to all Committees of the Board.

**xiii. Market Price Data for the year 2019-20:**

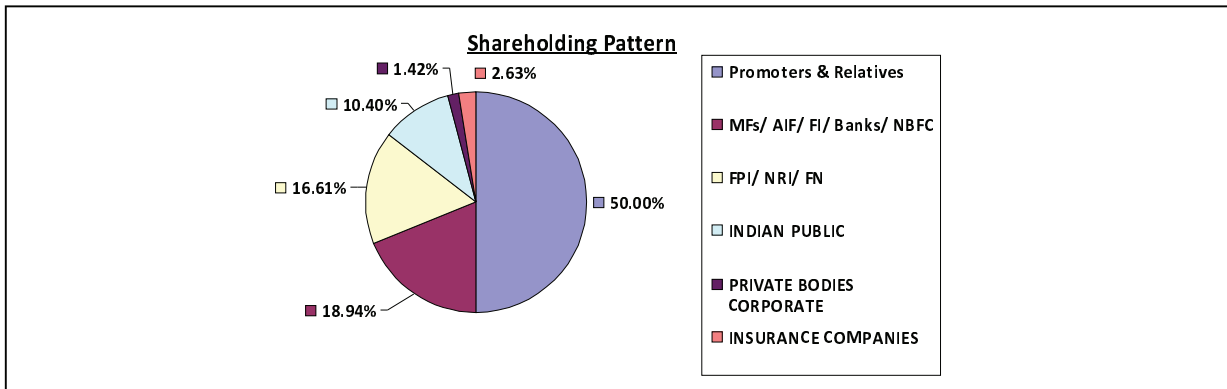
PERIOD	BSE (₹)		BSE SENSEX		NSE (₹)		NIFTY	
	High	Low	High	Low	High	Low	High	Low
April 2019	1177.30	1,097.70	39487.45	38460.25	1,180.00	1,103.50	9756.30	9577.00
May 2019	1271.25	998.25	40124.96	36956.10	1,274.00	991.00	9889.30	9108.45
June 2019	1258.30	1100.00	40312.07	38870.96	1,257.90	1,098.70	9941.45	9476.25
July 2019	1189.95	1005.00	40032.41	37128.26	1,193.00	1,002.00	9805.30	8995.25
August 2019	1119.80	960.00	37807.55	36102.35	1,097.85	957.00	9103.10	8706.45
September 2019	1250.00	1090.40	39441.12	35987.80	1,249.00	1,075.95	9552.25	8738.65
October 2019	1190.00	1101.10	40392.22	37415.83	1,194.75	1,105.30	9733.35	9008.85
November 2019	1141.45	975.00	41163.79	40014.23	1,139.90	1,013.00	9874.90	9596.85
December 2019	1230.00	1040.10	41809.96	40135.37	1,230.95	1,037.95	9922.05	9574.85
January 2020	1389.95	1194.00	42273.87	40476.55	1,388.80	1,183.85	9206.05	8825.60
February 2020	1475.00	1231.00	41709.3	38219.97	1,483.00	1,226.50	9179.75	8729.70
March 2020	1321.00	710.00	39083.17	25638.90	1,324.00	739.40	9667.45	8994.00

**(xiv) Performance in comparison to broad-based indices BSE Sensex:****(xv) Dematerialization of shares and liquidity:**

The shares of the Company are available under dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's equity shares are compulsorily traded in the dematerialized form. The code number allotted by NSDL and CDSL to your Company is **INE540H01012**.

(xvi) Shareholding Pattern as on 31-03-2020:

Sr. No.	Category	No. of Shares Held	% to total Shareholding
1.	Promoters and their Relatives	5058561	50.00
2.	Mutual fund/ Alternate Investment Fund	1894587	18.72
3.	Foreign Portfolio Investors	1602177	15.84
4.	Financial Institutions/ Banks/ NBFC	22236	0.22
5.	Insurance Companies	265854	2.63
6.	NRI & Foreign National	77431	0.77
7.	Indian Public	1052633	10.40
8.	Private Bodies Corporate	143641	1.42
	<b>Total</b>	<b>10117120</b>	<b>100.00</b>



(xvii) Distribution of Shareholding as on 31-03-2020:

Sr. No.	No. of Equity Shares held	No. of Shareholders	% of Shareholder	No. of Shares held	% of Shareholding
1.	1 - 500	14863	97.5007	708677	7.0047
2.	501 - 1000	215	1.4104	163123	1.6123
3.	1001 - 2000	74	0.4854	103737	1.0254
4.	2001 - 3000	28	0.1837	70741	0.6992
5.	3001 - 4000	12	0.0787	41000	0.4053
6.	4001 - 5000	7	0.0459	31972	0.3160
7.	5001 - 10000	16	0.1050	123148	1.2172
8.	10001 - above	29	0.1902	8874722	87.7198
	<b>Total</b>	<b>15244</b>	<b>100.00</b>	<b>10117120</b>	<b>100.00</b>

(xviii) Disclosure with respect to shares lying in suspense account : NA

Place : Vadodara  
Date : June 10, 2020

**KANUBHAI S. PATEL**  
**CHAIRMAN & MANAGING DIRECTOR**



**DECLARATION ON CODE OF CONDUCT****[Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management and that the same has been hosted on the Company's website <http://www.voltamptransformers.com/index.php/dashboard/codeconduct>. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct as on 31<sup>st</sup> March, 2020. The declaration signed by the Chairman & Managing Director of the Company is given below:

"I, Kanubhai S. Patel, Chairman & Managing Director of the Company, hereby declare that all Board Members and Senior Management Personnel of the Company have affirmed the compliance of the Code of Conduct during the Financial Year ended 31<sup>st</sup> March, 2020."

**Place : Vadodara**  
**Date : June 10, 2020**

**KANUBHAI S. PATEL**  
**CHAIRMAN & MANAGING DIRECTOR**

**MANAGING DIRECTOR AND CFO CERTIFICATION**

**To**  
**The Board of Directors**  
**Voltamp Transformers Limited**  
**Makarpura, Vadodara.**

We certify that:

- A. We have reviewed financial statements and the cash flow statement of Voltamp Transformers Ltd. for the year ended March 31, 2020 and that to the best of our knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
  - (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Place : Vadodara**  
**Date : June 10, 2020**

**Kanubhai S. Patel**  
**Chairman & Managing Director**

**V. N. Madhani**  
**Whole Time Director & CFO**



## DECLARATION

This is to confirm that for the year 2019-20, all Board members and senior management personnel have affirmed compliance with the Code of Conduct of Voltamp Transformers Limited.

Place : Vadodara  
Date : June 10, 2020

**KANUBHAIS PATEL**  
CHAIRMAN & MANAGING DIRECTOR

**SANKET RATHOD**  
COMPANY SECRETARY

## 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  
**Voltamp Transformers Limited**,  
Makarapura, Vadodara

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Voltamp Transformers Limited**, having CIN L31100GJ1967PLC001437 and having registered office at Makarpura, Vadodara (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and 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 31<sup>st</sup> March, 2020 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 Directors	DIN	Date of appointment in Company
1.	SHRI KUNJAL LALITKUMAR PATEL	00008354	04/06/1994
2.	SHRI KANUBHAI SHAKARABHAI PATEL	00008395	11/02/2010
3.	SHRI HEMANT PRAVINCHANDRA SHAPARIA	00053392	18/03/2015
4.	SHRI ASHISH SURENDRABHAI PATEL	01309384	14/08/2018
5.	SHRI VALLABH NANJIBHAI MADHANI	02209006	08/05/2008
6.	SMT. NEELABEN ARVINDBHAI SHELAT	07121915	18/03/2015

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 **J. J. Gandhi & Co.**  
**Practising Company Secretaries**  
**J. J. Gandhi**  
Proprietor  
FCS No. 3519 and CP No. 2515  
UDIN: F003519B000323731

Place: Vadodara  
Date: June 07, 2020

## Independent Auditors' Certificate on Corporate Governance

To,  
The Members,  
Voltamp Transformers Limited

1. We, **CNK & Associates, LLP** Chartered Accountants, the Statutory Auditors of **Voltamp Transformers Limited** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

### Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

### Auditors' Responsibility

3. Our responsibility is limited to examining the 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.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management and considering the relaxation granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of COVID – 19 Pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2020.
8. We state that such compliance 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 M/s. CNK & Associates, LLP**  
**Chartered Accountants**  
**FRN No. : 101961W/W-100036**

**Alok Shah**  
Partner

Place : Vadodara  
Date : 10<sup>th</sup> June, 2020

**Membership No. 042005**  
**UDIN: 20042005AAAEM1045**

## ANNEXURE - IV TO THE DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMY / INDUSTRY OVERVIEW:

During the year to revive Indian economy and to boost investment, consumption and exports, the Govt. of India has taken various steps like reduction in corporate tax rates, increase in FDI limit for various sectors, easing of credit particularly for stalled real estate and power projects, speeding up the insolvency resolution process under Insolvency and Bankruptcy code. Just when it seems markets were recovering, an unprecedented calamity in the form of Covid-19 pandemic came and affected the economy of majority of the countries leading to forced lock down and total disruptions of all economic activities in India. To combat economic disruptions caused by lockdown, the Govt. of India has announced various economic packages. It is expected that it will have its impact to bring economy back on track in reasonable period of time.

The financial year 2019-20 saw muted capital expenditure from corporate sector. No major investment happened in thermal power generation due to decline in pace of power generation, low capacity utilisation, subdued electricity demand, etc. There has been a progressive shift towards renewable sources. In the last 5 years, the share of renewable energy in the installed capacity has increased from 12% to 23%. However, the solar energy sector projects execution faces many challenges. The industrial activity slowed down during FY 20 led by decline in manufacturing activities. The production of capital goods contracted and infrastructure goods slowed down significantly. During FY20, Indian rupee depreciated by 9.3 % against USD.

Based on the initial assessments, India's growth is likely to slow down in near term but impact is not likely to be equal for all the sectors.

### OUTLOOK FOR THE COMPANY:

The Covid -19 health crisis have led to an unpredictable business climate in terms of demand and future outlook. Post Covid-19 the outlook is highly uncertain, the Company expects current year to be more tough and challenging compared to past. The economic environment in which Company is operating has created uncertainty for short term. The path back to normality after the health crisis subsidies, is likely to be slow.

In the current scenario the Company is adopting cautious approach in its current year Business Plan. In the evolving situation, the Company is taking balanced view on scaling up manufacturing operations, with anticipated delay of projects resulting in finished goods inventory buildup and payment delays as against achieving breakeven level volume to pay fixed costs. This is not time to chase business with out payment assurance. The management expects that these are short term challenges and believe that India's economic growth has the potential to bounce back once the Covid-19 pandemic settle.

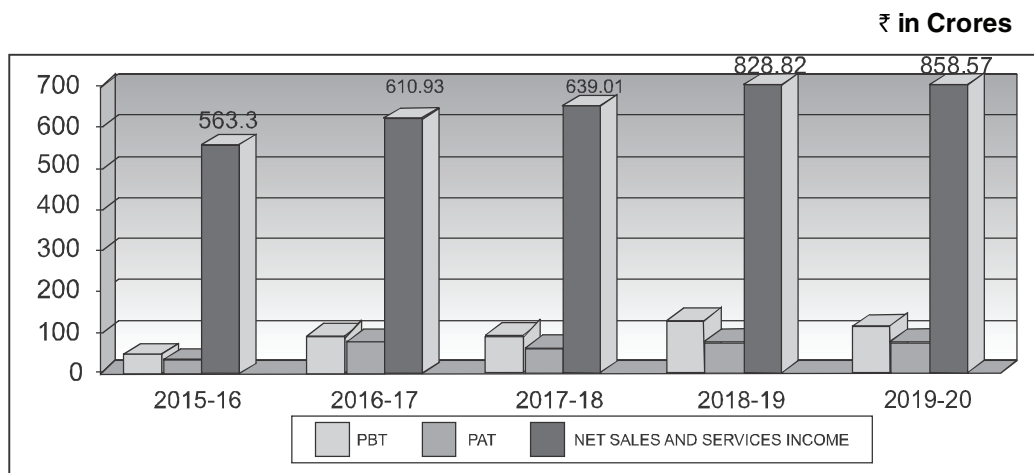
The Company with its healthy balance sheet is well equipped to overcome present challenges and continue to pursue its long term growth strategy.

At present the enquiry pipeline is at reasonable level. Orders did get finalized during the lockdown period and subsequent period, of course at slow pace. New order finalization space in next 4 months will be need based. The Company has resumed execution of service orders. Over medium to long term many global MNCs are likely to consider diversifying their manufacturing operations from China to India with the Government push on attracting investment. This move offer good business opportunity for the Company as and when it materialize. Infra projects worth ₹ 102 lakhs crores in ten infrastructural projects announced by the Govt. of India and projects in data centres, smart campuses, coal based power plants installing system to meet with new environment norms and like will offer business opportunity in medium term.

As on date, orders available for execution in current year is at ₹ 471 crores (6918 MVA). Despatches in 1<sup>st</sup> quarter of current financial year is expected to be on lower side.

### PERFORMANCE OF THE COMPANY DURING THE LAST FIVE YEARS:

Profit Before Tax (PBT), Profit After Tax (PAT) and Sales and Services Income of the last five years.



The Company has achieved net sales and service revenue of ₹ 858.57 Crores as compared to ₹ 828.82 crores in the previous year and the PBT decreased to ₹ 113.35 crores as compared to ₹ 122.67 crores in the previous year and PAT increased to ₹ 88.93 crores as compared to ₹ 84.89 crores in the previous year.

#### FINANCE:

The Company continued to remain debt free during the year. The Company continued to focus on optimizing its working capital to improve cash position. The Company could leverage its cash availability position to get better terms from suppliers. The Company has maintained excellent relationship with its bankers and was able to enjoy favorable terms for various banking facilities. The Company has continued investment of surplus funds available, in various debt and equity schemes of mutual funds, fixed deposit with banks, debentures and bonds, PMS, tax-free bonds, etc. and earned a reasonable return on the same and the Company has also expanded its investment portfolio from time to time. The receivable position is at healthy level and majority of past issues got addressed.

#### FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS:

The major factors affecting future results of operations of your Company are the currency fluctuation, competitive pressures from local as well as recently entered International competitors, Govt. policies on power and infrastructure sectors and project implementation, large unutilized capacity in Industry, aggressive pricing, continuing and highly volatile raw material prices, and timely availability of imported raw materials at budgeted cost. Deterioration of supply chain and demand due to pandemic Covid-19 will affect future operations of the Company.

#### HUMAN RESOURCES:

The Company continue its focus on development of human resources. The Company is a firm believer that its employees are its strength and the Company therefore respects individual rights and dignity of all its employees. The relations of the management with employees during the year continued to be cordial. Learning and development has been strengthened to bring value addition in the employee and to enhance team building leading towards success. The Company focuses on providing the employees, employee - friendly environment and culture and career growth opportunities.

#### INTERNAL CONTROL SYSTEMS:

The Company has in place, commensurate with the size and complexity of Company's business operation, effective internal control systems and policies for compliance of laws and to safeguard the interest of the Company. The Company maintains a system of internal controls designed to provide reasonable assurance regarding the efficiency and reliability of operations and for safeguarding the assets of the Company and for ensuring appropriate recording and reporting of financial information for ensuring reliability of financial controls and for ensuring compliance of applicable laws and regulations.

The internal financial controls are adequate and are operating effectively and there are proper systems in place to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

The internal audit covers a wide variety of operational matters and ensures compliance with specific standards with regard to reliability and suitability of policies and procedures.

The internal auditors' report to the top management through CFO and continuously monitor adherence to laid down systems and policies. Services of internal auditors are being outsourced through established audit firm. The systems are regularly reviewed and modified for changes in operating and regulatory requirements.

The Audit Committee reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening the same from time to time.

**RISKS & CONCERNS:**

The major risk factors affecting the Company are over capacity in industry, non-lifting of ready materials due to cash constraints at customers' end building inventory and liquidity issues, increase in receivable positions due to delay in payment by certain customers and uncertainty in execution of low fixed price orders. The wide fluctuation of rupee against US Dollars also affects margin since the key raw materials, viz. copper, transformer oil, special steels for lamination, etc., are of import origin.

**STRENGTH:**

The Company is debt free since many years and having a good amount of investments of its surplus funds in diversified portfolios, viz. debt and equity mutual funds, bonds, debentures, fixed deposits, PMS, tax-free bonds, etc. and the Company has efficient working capital management. The Company has a diverse industrial client base and not dependent on any particular industry segment or region to book orders. Continuity of senior level management staff in service with long duration allows the Company to handle larger volume of business with comparatively less risk.

## ANNEXURE - V TO THE DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT

(For the Financial year ended on 31<sup>st</sup> March, 2020)

[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,**  
**Voltamp Transformers Limited,**  
**Makarpura, Vadodara,**

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Voltamp Transformers Ltd.** (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 of the Company's books, papers, minutes 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 **31<sup>st</sup> March, 2020**, 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 the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on **31<sup>st</sup> March, 2020**, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings. - As reported to us there were no FDI, ODI and ECB transactions in the Company during the Audit period.
5. 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, 2009. - Not Applicable as the Company did not issue any security during the financial year under review.
  - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable as the Company has not granted any options to its employees during the financial year under review.
  - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable as the Company neither issue nor listed any debt securities during the financial year under review.
  - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993. - The Company is not registered as Registrar to Issue and Share Transfer Agent.
  - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.
  - H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable as the Company did not buy back any security during the financial year under review.

Considering representation of management and products, process and location of the Company, following laws are applicable specifically to the Company. Having regard to the compliance system prevailing in the Company and on examination of the relevant records on test check basis, we further report that the Company has complied with the following laws;

1. The Environment (Protection) Act, 1986
2. The Air (Prevention and Control of Pollution) Act, 1981
3. The Water (Prevention and Control of Pollution) Act, 1974

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

- (i) The Mandatory Secretarial Standards (SS1 and SS2) issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above.

**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. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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

We further report that as per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried at meetings without any dissent.

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.

**For J. J. Gandhi & Co.  
Practicing Company Secretaries**

**Place : Vadodara  
Date : 6<sup>th</sup> June, 2020**

**J. J. Gandhi  
Proprietor  
FCS No. 3519 and CP No. 2515  
UDIN number F003519B000323641**

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

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**Annexure to Secretarial Audit Report**

**Date: 6<sup>th</sup> June, 2020**

**To,  
The Members,  
Voltamp Transformers Limited,  
Makarpura, Vadodara.**

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 the 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 the practices, we followed provided 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 J. J. Gandhi & Co.  
Practicing Company Secretaries**

**J. J. Gandhi  
Proprietor  
FCS No. 3519 and CP No. 2515**



## ANNEXURE VI TO THE DIRECTORS' REPORT

### NOMINATION AND REMUNERATION POLICY

Voltamp Transformers Limited ("the Company") has constituted Nomination and Remuneration Committee ("Committee") pursuant to the provisions of section 178 of the Companies Act, 2013 and rules made thereunder and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements Regulations 2015). This Policy has been formed for nomination and deciding remuneration of Directors, Key Managerial Personnel (KMP) and other employees of the Company, by the Nomination and Remuneration Committee and approved by the Board of Directors at their respective meetings held on 20<sup>th</sup> May, 2015.

#### OBJECTIVE

The Policy has been formed with an objective that the remuneration of Directors, Key Managerial Personnel (KMP) and other employees of the Company is appropriate considering short and long term performance objectives appropriate to the working of the Company and the same is suitable based on the Company's size, financial position and practices prevailing in peer companies in the industries, with a view to ensure long term sustainability of the Company.

#### APPLICABILITY

The Remuneration Policy shall be applicable to all Directors, KMPs and Other employees, present as well as future and shall be of guidance for the Board.

#### SCOPE & FUNCTIONS

The Committee shall identify 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, their appointment and removal and shall carry out evaluation of every Director's performance.

The Committee shall ensure that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, Key Managerial Personnel and officials working at senior management level involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### RETIREMENT & REMOVAL

The Director, KMP and other employees of the Company, shall retire as per the applicable provisions of the regulations and the prevailing policy of the Company and / or the provisions of the Companies Act, 2013 & applicable Act, Rules and Regulations, if any. The removal of Director and KMP shall be subject to the provisions of the Companies Act, 2013 and the rules made thereunder.

#### REMUNERATION TO MANAGING DIRECTORS

- At the time of appointment or re-appointment, the remuneration (including perquisites, commission, etc.) to be paid to the Managing Director, shall be recommended by the Nomination & Remuneration Committee and approved by the Board. The overall remuneration shall be in accordance with the terms and conditions and overall limit prescribed as per the applicable provisions of the Companies Act, 2013 and the rules made thereunder and schedules thereto and shall be subject to prior / post approval of the shareholders of the Company and Central Government, if required.
- If, in any financial year, the Company has no profits or the profits are inadequate, the Company shall pay remuneration to the Managing Director/s in accordance with the provisions of Schedule V of the Companies Act, 2013 OR with the previous approval of the Central Government, if required.

#### REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTORS

- The Non-executive Directors of the Company shall be paid sitting fees as per the applicable regulations, and as approved by the Board of Directors from time to time.

#### REMUNERATION TO KMP AND OTHER EMPLOYEES

The KMPs and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and / or as may be approved by the Committee, if required. The break-up of pay scale and quantum of perquisites including employer's contribution to P.F., pension scheme, etc. shall be as per the Company's HR policies.

#### AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, the same shall be recorded in the minutes of the Committee and Board.

## ANNEXURE – VII TO THE DIRECTORS’ REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[as prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. **A brief outline of the Company’s CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:** Please refer to Corporate Social Responsibility Policy posted on the Company’s website at [http://www.voltamtransformers.com/pdf/corporate\\_social\\_responsibility\\_policy.pdf](http://www.voltamtransformers.com/pdf/corporate_social_responsibility_policy.pdf)
2. **The Composition of the CSR Committee:**
  - Shri Kunjalbhai L. Patel : Chairman (Vice Chairman & Managing Director)
  - Shri Kanubhai S. Patel : Member (Chairman & Managing Director)
  - Dr. (Smt.) Neelaben A. Shelat : Member (Independent Director)
3. **Average net profit of the Company for last three financial years:** ₹ 8817.10 Lacs
4. **Prescribed CSR expenditure (two per cent of the amount as in item 3 above):** ₹ 176.34 Lacs
5. **Details of CSR spend during the financial year:**
  - (a) Total amount to be spent for the financial year: ₹ 176.34 Lacs
  - (b) Amount unspent, if any: ₹ 14.92 Lacs
  - (c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) Specify the state or district where projects or programmes were undertaken	Amount outlay (Budget) projects or programmes wise (₹)	Amount spent on the projects or programmes		Cumulative expenditure up to the reporting period (₹)	Amount spent : Directly or Through Implementing Agency* (₹)
					Direct expenditure on programmes or projects (₹)	Overheads (₹)		
1	VIVUM- The National Academy for Learning	Promotion of Health & Education	Bangalore	1,00,000	1,00,000	----	1,00,000	1,00,000
2	CII Foundation	Rehabilitation and Reconstruction activities	Ahmedabad	1,00,000	1,00,000	----	1,00,000	1,00,000
3	Bal Bhavan Society	Education Promotional Activity	Local Area	2,40,000	2,40,000	----	2,40,000	2,40,000
4	Baroda Citizens Council	Health care	Local Area	62,00,000	62,00,000	----	62,00,000	62,00,000
5	The Akshay Patra Foundation	Eradicating hunger and malnutrition	Local Area	26,00,000	26,00,000	----	26,00,000	26,00,000
6	Maa Gayatri Primary School	Education Promotion	Local Area	8,21,886	8,21,886	----	8,21,886	8,21,886
7	Hari Om Seva Trust	Healthcare	Local Area	5,00,000	5,00,000	----	5,00,000	5,00,000
8	Charutar Arogya Mandal	Health care	Karamsad	5,00,000	5,00,000	----	5,00,000	5,00,000
9	Shri Jalaram Sevashram Trust	Education Promotion, Health care & Eradicating hunger	Local Area	5,00,000	5,00,000	----	5,00,000	5,00,000

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) Specify the state or district where projects or programmes were undertaken	Amount outlay (Budget) projects or programmes wise (₹)	Amount spent on the projects or programmes		Cumulative expenditure up to the reporting period (₹)	Amount spent : Directly or Through Implementing Agency* (₹)
					Direct expenditure on programmes or projects (₹)	Overheads (₹)		
10	United Way of Baroda	Health, Education, Promotion of Cultural Activity	Local Area	10,00,000	10,00,000	----	10,00,000	10,00,000
11	Disha Charitable Trust	Education Promotion	Local Area	3,00,000	3,00,000	----	3,00,000	3,00,000
12	Trust For Reaching The Unreached	Healthcare	Local Area	2,70,000	2,70,000	----	2,70,000	2,70,000
13	Shri Jummadada Vyayam Mandir	Promotion of Sports	Local Area	10,000	10,000	----	10,000	10,000
14	Vision Foundation of India	Promoting health care including Preventive health care	Mumbai	5,00,000	5,00,000	----	5,00,000	5,00,000
15	Sardardham	Education Promotion	Ahmedabad	25,00,000	25,00,000	----	25,00,000	25,00,000
	<b>TOTAL</b>			<b>1,61,41,886</b>	<b>1,61,41,886</b>	<b>----</b>	<b>1,61,41,886</b>	<b>1,61,41,886</b>

6. In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report: The CSR Committee of the Company is on lookout for other NGOs/Trusts undertakings socially relevant projects in vicinity of the Company's factories/ locations, as permissible under Schedule VII to the Companies Act, 2013.
7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For Voltamp Transformers Limited

Kanubhai S. Patel  
Chairman & Managing Director

For and on behalf of the  
Corporate Social Responsibility Committee

Kunjalbhai L. Patel  
Chairman of the Corporate  
Social Responsibility Committee

## ANNEXURE VIII TO THE DIRECTORS' REPORT

Form MGT- 9

### EXTRACT OF ANNUAL RETURN

**As on the financial year ended on 31<sup>st</sup> March, 2020**

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

#### I. Registration and other details

I)	CIN:-	L31100GJ1967PLC001437
II)	Registration Date	02.03.1967
III)	Name of the Company	VOLTAMP TRANSFORMERS LIMITED
IV)	Category / Sub Category of the Company	PUBLIC LIMITED COMPANY
V)	Address of the Registered Office and Contact Details	MAKARPURA, VADODARA -390014, GUJARAT, INDIA, PHONE : +91 2652642011/2642012/3041480 FAX : + 91 2652646774 / 3041499 E-mail : <a href="mailto:voltamp@voltamptransformers.com">voltamp@voltamptransformers.com</a>
VI)	Whether listed company	Yes
VII)	Name, address and contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Vadodara -390020, Gujarat Phone : +91 265 2356573 – 2356794, Fax: +91 265 2356791 E-mail : <a href="mailto:alpesh.gandhi@linkintime.co.in">alpesh.gandhi@linkintime.co.in</a>

#### II. Principal business activities of the company

All the business activities contributing 10% or more of the total turnover of the company shall be stated;

Sr. No.	Name and Description of main products/ service	NIC code of the product/ service	% to total turnover of the company
1	Manufacturing of Electrical Transformers	27102	98%

#### III. Particulars of Holding, Subsidiary and Associate Companies: NA

Sr. No.	Name and address of the company	CIN/ GLN	Holding/ Subsidiary/ Associates	% of shares held	Applicable section
1.	----	----	----	----	----

#### IV. Shareholding Pattern (Equity share capital breakup as percentage of total equity)

##### i) Category wise Share Holding

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A.	Shareholding of Promoter and Promoter Group									
1.	<b>Indian</b>									
a)	Individual/ HUF	1045689	----	1045689	10.3358	714087	----	714087	7.0582	-3.2776
b)	Central Government / State Government(s)	----	----	----	----	----	----	----	----	----
c)	FI / Banks	----	----	----	----	----	----	----	----	----
d)	Any Other (Specify)	----	----	----	----	----	----	----	----	----
	Bodies Corporate	4001164	----	4001164	39.5484	4344474	----	4344474	42.9418	3.3934
	<b>Sub – total (A)(1)</b>	5046853	----	5046853	49.8843	5058561	----	5058561	50.0000	0.1157

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>2.</b>	<b>Foreign</b>									
a)	Individuals (Non-Resident Individuals / Foreign Individuals)	----	----	----	----	----	----	----	----	----
b)	Government	----	----	----	----	----	----	----	----	----
c)	Institutions	----	----	----	----	----	----	----	----	----
d)	Foreign Portfolio Investor	----	----	----	----	----	----	----	----	----
e)	Any Other (Specify)	----	----	----	----	----	----	----	----	----
	<b>Sub-total (A)(2)</b>	----	----	----	----	----	----	----	----	----
	<b>Total Shareholding of Promoters and Promoter Group A=(A)(1)+(A)(2)</b>	5046853	----	5046853	49.8843	5058561	----	5058561	50.0000	0.1157
<b>B.</b>	<b>Public Shareholding</b>									
<b>1.</b>	<b>Institutions</b>									
a)	Mutual Funds / UTI	1909462	----	1909462	18.8736	1879338	----	1879338	18.5758	-0.2978
b)	Venture Capital Funds	----	----	----	----	----	----	----	----	----
c)	Alternate Investment Funds	34569	----	34569	0.3417	15249	----	15249	0.1507	-0.1910
d)	Foreign Venture Capital Investors	----	----	----	----	----	----	----	----	----
e)	Foreign Portfolio Investor	1456676	----	1456676	14.3981	1602177	----	1602177	15.8363	1.4382
f)	FIs / Banks	5526	----	5526	0.0546	22046	----	22046	0.2179	0.1633
g)	Insurance Companies	----	----	----	----	265854	----	265854	2.6278	2.6278
h)	Provident Funds/ Pension Funds	----	----	----	----	----	----	----	----	----
i)	Any Other (Specify)	----	----	----	----	----	----	----	----	----
	<b>Sub Total (B)(1)</b>	3406233	----	3406233	33.6680	3784664	----	3784664	37.4085	3.7405
<b>2.</b>	<b>Central Government/ State Government(s)/ President of India</b>									
	Central Government / State Government(s)	----	----	----	----	----	----	----	----	----
	<b>Sub Total (B)(2)</b>	----	----	----	----	----	----	----	----	----
<b>3.</b>	<b>Non-Institutions</b>									
a)	Individuals									
i)	Individual Shareholders holding nominal share capital upto ₹ 1 lakh	945714	3	945717	9.3477	935205	3	935208	9.2438	-0.1039
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	21974	----	21974	0.2172	51422	----	51422	0.5083	0.2911
b)	NBFCs registered with RBI	356	----	356	0.0035	190	----	190	0.0019	-0.0016
c)	Employee Trusts	----	----	----	----	----	----	----	----	----
d)	Overseas Depositories (holding DRs) (balancing figure)	----	----	----	----	----	----	----	----	----

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
e)	Any Other (Specify)									
	IEPF	614	---	614	0.0061	731	---	731	0.0072	0.0011
	Trusts	997	---	997	0.0099	1176	---	1176	0.0116	0.0017
	Foreign Nationals	300	---	300	0.0030	300	---	300	0.0030	0.0000
	Hindu Undivided Family	81392	---	81392	0.8045	56792	---	56792	0.5613	-0.2432
	Non Resident Indians (Non Repat)	15604	---	15604	0.1542	25781	---	25781	0.2548	0.1006
	Non Resident Indians (Repat)	48384	---	48384	0.4782	51350	---	51350	0.5076	0.0294
	Clearing Member	5991	---	5991	0.0592	7304	---	7304	0.0722	0.0130
	Bodies Corporate	542705	---	542705	5.3642	143641	---	143641	1.4198	-3.9444
	Sub Total (B)(3)	1664031	3	1664034	16.4477	1273892	3	1273895	12.5915	-3.8562
	<b>Total public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	5070264	3	5070267	50.1157	5058556	3	5058559	50.0000	-0.1157
	Total (A)+(B)	10117117	3	10117120	100.0000	10117117	3	10117120	100.0000	0.0000
C.	Non Promoter - Non Public									
1]	Custodian/DR Holder	---	---	---	---	---	---	---	---	---
2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	---	---	---	---	---	---	---	---	---
	Total (A)+(B)+(C)	10117117	3	10117120	100.0000	10117117	3	10117120	100.0000	

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	M/s Kunjal Investments Pvt. Ltd.	4001164	39.5484	---	4344474	42.9418	---	3.3934
2	Shri Kunjal Lalitkumar Patel	579379	5.7267	---	714087	7.0582	---	1.3315
3	Shri Kunjal Lalitkumar Patel (HUF)	208000	2.0559	---	---	---	---	-2.0559
4	Shri Kunjal Lalitkumar Patel (HUF)	86190	0.8519	---	---	---	---	-0.8519
5	Miss Aayushi Kunjal Patel (Minor)	86060	0.8506	---	---	---	---	-0.8506
6	Shri Jwalin Kunjal Patel	86060	0.8506	---	---	---	---	-0.8506
	<b>Total</b>	<b>5046853</b>	<b>49.8843</b>	<b>---</b>	<b>5058561</b>	<b>50</b>	<b>---</b>	<b>0.1157</b>

## (iii) Change in Promoters' Shareholding:

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative shareholding at the end of the year	
		No. of shares held	% of total shares of the company	Date of Transaction	No. of shares	No. of shares held	% of total shares of the company
1	Kunjai Investments Private Limited	4001164	39.5484	----	----	4001164	39.5484
	Transfer			04 Oct 2019	172250	4173414	41.2510
	Transfer			27 Dec 2019	86060	4259474	42.1016
	Transfer			28 Feb 2020	85000	4344474	42.9418
	At the end of the year					4344474	42.9418
2	Shri Kunjal Lalitkumar Patel	579379	5.7267	----	----	579379	5.7267
	Transfer			23 Aug 2019	1500	580879	5.7415
	Transfer			30 Aug 2019	7405	588284	5.8147
	Transfer			18 Oct 2019	208000	796284	7.8707
	Transfer			22 Nov 2019	2803	799087	7.8984
	Transfer			21 Feb 2020	(85000)	714087	7.0582
	At the end of the year					714087	7.0582
3	Shri Kunjal Lalitkumar Patel (HUF)	208000	2.0559	----	----	208000	2.0559
	Transfer			11 Oct 2019	(208000)	0	0.0000
	At the end of the year					----	----
4	Shri Kunjal Lalitkumar Patel (HUF)	86190	0.8519	----	----	86190	0.8519
	Transfer			20 Sep 2019	(86190)	0	0.0000
	At the end of the year					----	----
5	Miss Aayushi Kunjal Patel	86060	0.8506	----	----	86060	0.8506
	Transfer			13 Dec 2019	(86060)	0	0.0000
	At the end of the year					----	----
6	Shri Jwalin Kunjal Patel	86060	0.8506	----	----	86060	0.8506
	Transfer			20 Sep 2019	(86060)	0	0.0000
	At the end of the year					----	----

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs &amp; ADRs)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative shareholding at the end of the year	
		No. of shares held	% of total shares of the company	Date of Transaction	No. of shares	No. of shares held	% of total shares of the company
1	Nalanda India Fund Limited	788340	7.7921	----	----	788340	7.7921
	At the end of the year					788340	7.7921
2	Nalanda India Equity Fund Limited	647732	6.4023	----	----	647732	6.4023
	At the end of the year					647732	6.4023
3	Reliance Capital Trustee Co. Ltd. A/c Nippon India Small Cap Fund	897711	8.8732	----	----	897711	8.8732
	Transfer			31 May 2019	(12601)	885110	8.7486
	Transfer			07 Jun 2019	(190)	884920	8.7468
	Transfer			14 Jun 2019	2127	887047	8.7678
	Transfer			12 Jul 2019	9000	896047	8.8567
	Transfer			26 Jul 2019	2970	899017	8.8861
	Transfer			09 Aug 2019	3500	902517	8.9207
	Transfer			16 Aug 2019	2500	905017	8.9454
	Transfer			30 Aug 2019	(10616)	894401	8.8405
	Transfer			06 Sep 2019	(50000)	844401	8.3463
	Transfer			20 Sep 2019	(30000)	814401	8.0497
	Transfer			08 Nov 2019	2000	816401	8.0695
	Transfer			20 Dec 2019	(11621)	804780	7.9546

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative shareholding at the end of the year	
		No. of shares held	% of total shares of the company	Date of Transaction	No. of shares	No. of shares held	% of total shares of the company
	Transfer			27 Dec 2019	(23027)	781753	7.7270
	Transfer			03 Jan 2020	(6033)	775720	7.6674
	Transfer			10 Jan 2020	(19929)	755791	7.4704
	Transfer			17 Jan 2020	(14524)	741267	7.3269
	Transfer			31 Jan 2020	(10795)	730472	7.2202
	Transfer			07 Feb 2020	(29205)	701267	6.9315
	Transfer			21 Feb 2020	(51072)	650195	6.4267
	Transfer			28 Feb 2020	(48928)	601267	5.9431
	Transfer			06 Mar 2020	(50000)	551267	5.4489
	Transfer			27 Mar 2020	2219	553486	5.4708
	At the end of the year					553486	5.4708
4	UTI-MID Cap Fund	555984	5.4955	---	---	555984	5.4955
	Transfer			27 Dec 2019	(48085)	507899	5.0202
	Transfer			14 Feb 2020	(24851)	483048	4.7746
	Transfer			28 Feb 2020	(4500)	478548	4.7301
	At the end of the year					478548	4.7301
5	DSP Small Cap Fund	398974	3.9436	---	---	398974	3.9436
	At the end of the year					398974	3.9436
6	HDFC Trustee Company Ltd. A/c - HDFC Children's Gift Fund - Investment Plan	---	---	---	---	---	---
	Transfer			13 Dec 2019	35400	35400	0.3499
	Transfer			20 Dec 2019	7200	42600	0.4211
	Transfer			27 Dec 2019	81870	124470	1.2303
	Transfer			03 Jan 2020	8530	133000	1.3146
	Transfer			10 Jan 2020	20000	153000	1.5123
	Transfer			24 Jan 2020	2700	155700	1.5390
	Transfer			31 Jan 2020	11400	167100	1.6517
	Transfer			07 Feb 2020	27850	194950	1.9269
	Transfer			14 Feb 2020	8613	203563	2.0121
	Transfer			21 Feb 2020	48700	252263	2.4934
	Transfer			28 Feb 2020	44200	296463	2.9303
	Transfer			06 Mar 2020	55600	352063	3.4799
	Transfer			13 Mar 2020	5330	357393	3.5326
	Transfer			20 Mar 2020	8200	365593	3.6136
	Transfer			31 Mar 2020	10000	375593	3.7124
	At the end of the year					375593	3.7124
7	ICICI Prudential Life Insurance Company Limited	381003	3.7659	---	---	381003	3.7659
	Transfer			19 Apr 2019	(267)	380736	3.7633
	Transfer			26 Apr 2019	(657)	380079	3.7568
	Transfer			03 May 2019	(259)	379820	3.7542
	Transfer			10 May 2019	(913)	378907	3.7452
	Transfer			29 Jun 2019	(24272)	354635	3.5053
	Transfer			12 Jul 2019	(13893)	340742	3.3680
	Transfer			19 Jul 2019	(5594)	335148	3.3127
	Transfer			09 Aug 2019	(8253)	326895	3.2311
	Transfer			16 Aug 2019	(3293)	323602	3.1986
	Transfer			30 Aug 2019	(952)	322650	3.1891
	Transfer			13 Sep 2019	(238)	322412	3.1868
	Transfer			20 Sep 2019	(302)	322110	3.1838
	Transfer			27 Sep 2019	(6376)	315734	3.1208
	Transfer			30 Sep 2019	(862)	314872	3.1123
	Transfer			04 Oct 2019	(2168)	312704	3.0908
	Transfer			11 Oct 2019	(2451)	310253	3.0666
	Transfer			18 Oct 2019	(2609)	307644	3.0408
	Transfer			25 Oct 2019	(3394)	304250	3.0073



Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative shareholding at the end of the year	
		No. of shares held	% of total shares of the company	Date of Transaction	No. of shares	No. of shares held	% of total shares of the company
	Transfer			01 Nov 2019	(3852)	300398	2.9692
	Transfer			08 Nov 2019	(10034)	290364	2.8700
	Transfer			15 Nov 2019	(8548)	281816	2.7855
	Transfer			27 Dec 2019	(4983)	276833	2.7363
	Transfer			27 Mar 2020	(8101)	268732	2.6562
	Transfer			31 Mar 2020	(2878)	265854	2.6278
	At the end of the year					265854	2.6278
8	Edelweiss Trusteeship Co Ltd AC- Edelweiss MF AC- Edelweiss Multi Cap Fund	53612	0.5299	----	----	53612	0.5299
	Transfer			26 Apr 2019	4001	57613	0.5695
	Transfer			12 Jul 2019	1727	59340	0.5865
	Transfer			19 Jul 2019	7110	66450	0.6568
	Transfer			30 Aug 2019	9088	75538	0.7466
	Transfer			13 Sep 2019	6651	82189	0.8124
	Transfer			08 Nov 2019	(19325)	62864	0.6214
	Transfer			15 Nov 2019	(7000)	55864	0.5522
	Transfer			29 Nov 2019	(4172)	51692	0.5109
	Transfer			13 Dec 2019	(2522)	49170	0.4860
	Transfer			17 Jan 2020	3618	52788	0.5218
	Transfer			24 Jan 2020	10356	63144	0.6241
	Transfer			31 Jan 2020	9593	72737	0.7189
	At the end of the year					72737	0.7189
9	Fidelity Asian Values PLC	----	----	----	----	----	----
	Transfer			06 Sep 2019	36957	36957	0.3653
	Transfer			20 Sep 2019	23909	60866	0.6016
	At the end of the year					60866	0.6016
10	ESVEE Capital	18813	0.1860	----	----	18813	0.1860
	Transfer			29 Jun 2019	4000	22813	0.2255
	Transfer			09 Aug 2019	1592	24405	0.2412
	At the end of the year					24405	0.2412
11	Parle Biscuits Pvt. Ltd.	25150	0.2486	----	----	25150	0.2486
	Transfer			27 Sep 2019	(4000)	21150	0.2091
	At the end of the year					21150	0.2091
12	Ampersand Growth Opportunities Fund Scheme-I	30000	0.2965	----	----	30000	0.2965
	Transfer			24 May 2019	(3102)	26898	0.2659
	Transfer			31 May 2019	(1898)	25000	0.2471
	Transfer			06 Dec 2019	(15000)	10000	0.0988
	Transfer			13 Dec 2019	(10000)	----	0.0000
	At the end of the year					----	----
13	Naravi Infra and Utilities Private Limited	24381	0.2410	----	----	24381	0.2410
	Transfer			13 Dec 2019	(24381)	----	0.0000
	At the end of the year					----	----

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning / end of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	Shri Kanubhai S. Patel	1	----	----	----	----	1	----
2.	Shri Kunjalbhai L. Patel	579379	5.7267	----	134708	Market Purchase	714087	7.0582
3.	Shri Hemant P. Shaparia	1	----	----	----	----	1	----
4.	Shri Ashish S. Patel	----	----	----	----	----	----	----
5.	Dr. (Smt.) Neela A. Shelat	----	----	----	----	----	----	----
6.	Shri Vallabh N. Madhani	15	----	----	----	----	15	----
7.	Shri Sanket Rathod	1	----	----	----	----	1	----

(V) Indebtedness : NIL

(VI) Remuneration of Directors and Key Managerial Personnel

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

Amount in ₹

Sr No	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Shri Kanubhai S. Patel Chairman & MD	Shri Kunjalbhai L. Patel Vice Chairman & MD	Shri Vallabh N. Madhani Whole Time Director & CFO	
1.	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2,35,97,255	2,21,12,762	38,36,542	4,95,46,559
(b)	Value of perquisites u/s 17(2) Income Tax Act, 1961.	27,64,164	26,56,164	2,80,190	57,00,518
(c)	Profits in lieu of salary under section 17(3) Income Tax Act, 1961.	----	----	----	----
2.	Stocks Option	----	----	----	----
3.	Sweat Equity	----	----	----	----
4.	Commission	----	----	----	----
	- As % of profit	1,34,65,599	1,34,65,599	----	2,69,31,198
	- Other, specify	----	----	----	----
5.	Others, Please specify	----	----	----	----
	<b>Total (A)</b>	<b>3,98,27,018</b>	<b>3,82,34,525</b>	<b>41,16,732</b>	<b>8,21,78,275</b>
	<b>Ceiling as per the Act</b>	<b>Within the limits prescribed under the Companies Act, 2013.</b>			

## B. Remuneration to other Directors

Amount in ₹

Sr No	Particulars of Remuneration	Name of Directors				Total Amount
		SHRI ASHISH S PATEL	DR. (SMT.) NEELA A SHELAT	SHRI HEMANT P SHAPARIA	SHRI VALLABH N MADHANI*	
1.	Independent Directors					
	Fees for attending Board / Committee meetings	30,000	40,000	30,000	----	1,00,000
	Commission	----	----	----	----	----
	Other, Please specify	----	----	----	----	----
	Total (1)	30,000	40,000	30,000	----	1,00,000
2.	Other Non-Executive Directors					
	Fees for attending Board / Committee meetings	----	----	----	10,000	10,000
	Commission	----	----	----	----	----
	Other, Please specify	----	----	----	----	----
	Total (2)	----	----	----	10,000	10,000
	<b>Total (B) = (1+2)</b>	30,000	40,000	30,000	10,000	<b>1,10,000</b>
	<b>Total Managerial Remuneration (A+B)</b>					<b>8,22,88,275</b>
	<b>Overall Ceiling as per the Act</b>	<b>Within the limits prescribed under the Companies Act, 2013.</b>				

\*Shri Vallabh N. Madhani, is appointed as a Whole Time Director & Chief Financial Officer of the Company at the Board Meeting held on 14/08/2019, w.e.f. from 14/08/2019 to 31/03/2022, subject to approval of shareholders at this 53<sup>rd</sup> Annual General Meeting of the Company.

## C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

Amount in ₹

Sr No.	Particulars of Remuneration	SHRI SANKET RATHOD COMPANY SECRETARY	Total Amount
1.	Gross Salary		
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	10,44,252	10,44,252
(b)	Value of perquisites u/s 17(2) Income Tax Act, 1961.	1093	1093
(c)	Profits in lieu of salary under section 17(3) Income Tax Act, 1961.	----	----
2.	Stock Option	----	----
3.	Sweat Equity	----	----
4.	Commission	----	----
	- As % of profit	----	----
	- Others, specify	----	----
5.	Other, Please specify	----	----
	<b>Total</b>	<b>10,45,345</b>	<b>10,45,345</b>

## VII Penalties / Punishment / Compounding Offences : NIL / NONE

**Annexure IX to the Directors' Report  
Business Responsibility Report**

**SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1	Corporate Identity Number (CIN) of the Company	L31100GJ1967PLC001437		
2	Name of the Company	VOLTAMP TRANSFORMERS LTD		
3	Registered address	Makarpura, Vadodara -390014, Gujarat		
4	Website	www.voltamptransformers.com		
5	E-mail id	voltamp@voltamptransformers.com		
6	Financial Year reported	01 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020		
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Group	NIC Code / Class	Description
		271	2710	Manufacture of Electrical Transformers
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	1) Electrical Transformers 2) Ring Main Unit (RMU) 3) Services relating to transformers		
9	Total number of locations where business activity is undertaken by the Company : (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	Not Applicable  Works 1 :Makarpura, Vadodara-390014, Gujarat, India.  Works 2: Village Vadadala, Jarod Samlaya Road, Taluka : Savli Dist Vadodara – 391520, Gujarat, India.		
10	Markets served by the Company - Local/State/National/International	Company has its business presence in India and outside India.		

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

(₹ In Lakhs)

1	Paid up Capital (INR)	1011.71
2	Total Turnover (INR)	85857.58
3	Total profit after taxes (INR)	8893.85
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%)	1.83% (of average net profit for previous three years)
5	List of activities in which expenditure in 4 above has been incurred:	Refer CSR report attached to the Directors' report

**SECTION C: OTHER DETAILS**

1	Does the Company have any Subsidiary Company/ Companies?	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

## SECTION D: BR INFORMATION

1	Details of Director/Directors responsible for BR	: Shri Vallabh N. Madhani
2	(a) Details of the Director/Director responsible for implementation of the BR policy/policies 1. DIN Number 2. Name 3. Designation  (b) Details of the BR head:DIN Number (if applicable) Name Designation Telephone number Email id	: : 022090062 : Shri Vallabh N. Madhani : Whole Time Director & CFO : : Same as above : Same as above : Same as above : :0265 - 3041410 : voltamp@voltamptransformers.com

## 2. Principle-wise (as per NVGs) BR Policy/policies(a) Details of compliance (Reply in YIN)

The National voluntary guidelines on Social, Environmental and Economic Responsibilities of business (NVGs) release by the Ministry of Corporate affairs has adopted nine areas of Business Responsibility.

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

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

Principle 3: Businesses should promote the wellbeing of all employees.

Principle 4 : Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

principle 5 : Businesses should respect and promote human rights.

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

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

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

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for ....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	All the policies have been developed considering relevant national standards including but not limited to Companies Act, Factories Act, ISO, BIS standards etc.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?	Policies mandated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are approved by the Board and other applicable policies are approved by the Managing Director or Functional Head of the Company as appropriate.								
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	The Company has Audit Committee, The CSR Committee, The Sexual Harassment of Women at workplace committee and adequate internal control systems to oversee the implementation of such policies.								
6	Indicate the link for the policy to be viewed online?	<a href="https://www.voltamptransformers.com-investorsdesk/policies">https://www.voltamptransformers.com-investorsdesk/policies</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, wherever appropriate.								
8	Does the company have in-house structure to implement the policy/policies.	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, wherever appropriate.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, wherever appropriate.								

3.	Governance related to BR	
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Board of Directors assess the BR Performance on annual or half yearly basis depending upon the type of BR activities.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes The Company starts publishing BR report from this year i.e. 2019-20 onwards and the same can be accessed on www.voltamptransformers.com. The same shall be published annually.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

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

1	Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	<b>No.</b> <b>It extends to various stakeholders including Suppliers, Contractors, Consultants and Others.</b>
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	<b>During the year under review, the Company did not receive any such complaint.</b>

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

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.  - <b>Electrical Transformers</b>  - <b>Ring Main Unit (RMU)</b>  - <b>Services relating to transformers</b>
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? – <b>Not available</b> (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?– <b>Not available</b>
3	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.  <b>Yes. The Company has set procedures to select suppliers, contractors and service providers based on their competence and capability to undertake tasks. The Company prefers to do business with compliant and sustainable suppliers. The Company has set procedures in place for sustainable transportation as well. At the time of qualification to become the Company's supplier the vendor is assessed across set sustainability matrices. All of the Company's vendors mandatorily go through a stringent evaluation and qualification criteria before they are registered with the Company.</b>
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?  <b>The Company being in business since more than 55 year, is instrumental along with other MNCs to develop very large base of small vendors locally who have scaled up over period of times. The Company provides technical support and guidance to vendors including financial assistance and payment against delivery of material in developing products wherever required.</b>
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.  <b>Yes. The Company is committed to increasing waste efficiency through the ISO certification for all plants. Waste is segregated in to hazardous and non-hazardous waste and managed through a robust waste management system.</b>  a) <b>Hazardous waste is sent to registered recyclers or to GPCB authorised TSDF (transportation, storage and disposal facilities) for disposal.</b> b) <b>Sewage is treated in the sewage treatment plant. The treated water is used for plantation.</b>

**Principle 3 :**

**BUSINESSES SHOULD PROMOTE THE WELL BEING OF ALL EMPLOYEES**

1	Please indicate the Total number of employees.		316
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.		225
3	Please indicate the Number of permanent women employees.		25
4	Please indicate the Number of permanent employees with disabilities		03
5	Do you have an employee association that is recognized by management.		NO
6	What percentage of your permanent employees is members of this recognized employee association?		Not applicable
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.		NIL
	<b>No.</b>	<b>Category</b>	<b>No of complaints filed during the financial year</b>
	1	Child labour/forced labour/in voluntary labour	NIL
	2	Sexual harassment	NIL
	3	Discriminatory employment	NIL
8	What percentage of your under mentioned employees were given safety & skill upgradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/Temporary/Contractual Employees		Yes The employees are subjected to skill based training depending on the work and job roles. Training matrix is designed based on their job risk profiles. As and when required, refresher trainings are provided to upgrade skill based on any changes in the work / job profiles of employees.

**Principle 4**

**BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED**

1	Has the company mapped its internal and external stakeholders?	Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.  <b>Yes. The Company undertake its CSR activities for disadvantaged, vulnerable communities including focus on disability sector and assists in community development in and around its factory operations. details of various CSR initiatives of the Company are part of the Board's Report included in this Annual Report.</b>	

**Principle 5**

**BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHT**

1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others? <b>No. It is applicable to all Suppliers, Contractors, Consultants and Others.</b>
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? <b>During the year under review, the Company did not receive any such complaint.</b>



**Principle 6  
BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT**

1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others. <b>No. It is applicable to all Suppliers, Contractors, Consultants and Others.</b>
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. <b>Yes. The Company has been cautious of the rapidly changing climate conditions and its impact on the environment and humanity. The Company has taken various steps towards delivering its responsibility to combat climate change. Some of the major steps include, installation of 112.86 KW captive solar plant at its both manufacturing locations to harness renewable energy and reducing carbon footprint, plantation to sequester the CO2 and adding value to biodiversity etc.</b>
3	Does the company identify and assess potential environmental risks? Y/N <b>Yes</b>
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? <b>No</b>
5	Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. <b>Yes. The Company has taken various initiatives on conservation of energy and technology absorption as mentioned in Annexure I to the Board's Report.</b>
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? <b>Yes</b>
7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. <b>Nil</b>

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

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: <b>a. Vadodara Chamber of Commerce &amp; Industry (VCCI)</b> <b>b. Confederation of Indian Industries (CII)</b> <b>c. Indian Electrical and Electronics Manufacturers Association of India (IEEMA)</b>
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box:Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) <b>No</b>

**Principle 8  
Businesses should support inclusive growth and equitable Development.**

1	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof. <b>Yes. Company has a CSR policy and undertakes a number of projects that are focused on identified areas of social development.</b>
2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization? <b>The Company undertakes programmes/projects directly/through various external Non-Profit Organisations like, Trust, Foundation, Council, and others.</b>
3	Have you done any impact assessment of your initiative? <b>Not yet</b>
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken. <b>During the F.Y. 2019-20 the Company spent ₹ 1.61 crores towards CSR programs. The details are mentioned in Annexure VII to the Board's Report.</b>
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. <b>CSR activities were pursued in line with the Company's policy and framework. The first step in the process is to identify communities that require Company's intervention through a stakeholder engagement. The Company has continual interactions with the relevant stakeholders so that its interventions are sustainable and is accepted and adopted by its stakeholders.</b>



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

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year. <b>Nil</b>
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information) <b>No.</b>
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. <b>No</b>
4	Did your company carry out any consumer survey/ consumer satisfaction trends? <b>No</b>

## INDEPENDENT AUDITORS' REPORT

To,  
The Members of Voltamp Transformers Limited

**Report on the audit of the Financial Statements**

### Opinion

We have audited the accompanying Financial Statements of Voltamp Transformers Limited (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr No	Key Audit Matter	Auditor’s Response
1	<p><b>Litigations, Provisions and Contingent Liabilities</b></p> <p>The Company has several litigations for direct tax as well as indirect tax which include matters under dispute which involves significant management judgement and estimates on the possible outcome of the litigations and consequent provisioning thereof or disclosure as contingent liabilities.</p> <p>Refer note no. 42 of financial statement.</p>	<p><b>Principal Audit Procedures</b></p> <p>As part of the audit process, we obtained from the management details of matters under disputes including ongoing and completed tax assessments, demands and other litigations.</p> <p>Our audit approach for the above consists of the following audit procedures:</p> <ul style="list-style-type: none"> <li>- Evaluation and testing of the design of internal controls followed by the company relating to litigations and open tax positions for direct and indirect taxes and process followed to decide provisioning or disclosure as Contingent Liabilities;</li> <li>- Discussed with company’s legal team and taxation team for sufficient understanding of on-going and potential legal matters impacting the company.</li> <li>- We involved our internal expert to evaluate the management’s underlying judgements in making their estimates with regard to such matters.</li> </ul>

### Information other than the Financial Statement and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexure to that Board's Report, Corporate Governance, and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

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

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

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

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

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

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in equity and the Cash Flow Statement dealt with by this report are in agreement with the relevant books of account;
  - (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”;
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 42 to the Financial Statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2020.

**For C N K & Associates, LLP**

Chartered Accountants

FRN: 101961W/W-100036

**Alok Shah**

Partner

Membership Number: 42005

UDIN No. : 20042005AAAAEL5204

**Place : Vadodara**

**Date : 10<sup>th</sup> June, 2020**

#### **Annexure 'A' to the Independent Auditors' Report**

Referred to in Para 1 ‘Report on Other Legal and Regulatory Requirements’ in our Independent Auditors’ Report to the members of the Company on the Financial Statements for the year ended 31<sup>st</sup> March, 2020.

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;
- (b) As informed to us, the company has a phased programme of physical verification of its fixed assets so as to cover all assets once in three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company;
- ii. As per the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification;
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnership or any other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, clause 3(a), 3(b) and 3(c) are not applicable for the year;
- iv. In our opinion and according to the information provided to us, there are no loan to directors including entities in which they are interested in respect of which provision of section 185 are applicable and hence not commented upon. Further, in our opinion and according to information and explanation given to us, provision of section 186 in respect of loans and advances given and investment made have been complied with by the Company. There are no guarantees and securities given in respect of which provision of section 186 of the Act are applicable and hence not commented upon;

- v. In our opinion and as explained to us, the Company has not accepted any deposits during the year and therefore, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable to the Company;
- vi. We have broadly reviewed the cost records maintained by the Company as prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;
- vii. (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Goods and Service Tax (GST), Custom Duty, Cess and other statutory dues and there are no undisputed statutory dues outstanding as at 31<sup>st</sup> March, 2020, for a period of more than six months from the date they became payable;
- (b) According to the information and explanations given to us and the records examined by us, there are no dues of income tax, sales tax, wealth-tax, service tax, duty of customs, duty of excise, value added tax or cess that has not been deposited on account of disputes except the following:

Name of the Statute	Nature of Dues	Amount* (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1994	Excise Duty (Including interest and penalty thereon)	553.78	April 2004 to June 2017	Appeal filed at CESTAT, Ahmedabad
Income Tax Act, 1961	Income Tax	146.42	2009-10	Appeal to HC by the Revenue Department
Income Tax Act, 1961	Income Tax	269.92	2010-11	Appeal to HC by the Revenue Department
Income Tax Act, 1961	Income Tax	56.87	2010-11	Appeal to ITAT by Assessee
Income Tax Act, 1961	Income Tax	174.16	2011-12	Appeal to ITAT by the Revenue Department
Income Tax Act, 1961	Income Tax	251.08	2012-13	Appeal to ITAT by the Revenue Department
Income Tax Act, 1961	Income Tax	2.42	2009-10	Appeal to CIT(A) by Assessee
Income Tax Act, 1961	Income Tax	18.74	2010-11	Appeal to CIT(A) by Assessee
Income Tax Act, 1961	Income Tax	122.94	2016-17	Appeal to CIT(A) by Assessee

\*Net of amount paid under protest

- viii. In our opinion and according to the information and explanation given by the us , company has not taken any borrowing from any financial institution, bank or Government and there are no dues to debenture holders during the year;
- ix. According to the information and explanations given to us, no moneys were raised by way of initial public offer or further public offer (including debt instruments) during the year and also there are no term loans availed by the Company, hence reporting under this clause is not applicable to Company;
- x. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud on or by the Company noticed or reported during the year, nor we have been informed of any such case by the management;

- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act;
- xii. In our opinion and according to the information and explanation given to us, the provisions related to Nidhi Company are not applicable;
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards;
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- xv. According to the information and explanation given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with them. Hence, the provisions of Section 192 of the Act are not applicable;
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For C N K & Associates, LLP**  
Chartered Accountants  
FRN: 101961W/W-100036

**Alok Shah**  
Partner

Membership Number: 42005  
UDIN No. : 20042005AAAAEL5204

**Place : Vadodara**  
**Date : 10<sup>th</sup> June, 2020**

#### **Annexure 'B' to the Independent Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **VOLTAMP TRANSFORMERS LIMITED** ("the Company") as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 of the company were established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an internal financial controls with reference to financial statements of the Company and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, C N K & Associates, LLP**  
Chartered Accountants  
FRN: 101961W/W-100036

**Place : Vadodara**  
**Date : 10<sup>th</sup> June, 2020**

**Alok Shah**  
Partner  
Membership Number: 42005  
UDIN No. : 20042005AAAAEL5204



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

ALL AMOUNTS ARE IN LAKHS UNLESS OTHERWISE STATED

Sr. No.	Particulars	Note No.	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
<b>ASSETS</b>				
<b>(1) Non-current Assets</b>				
(a)	Property, plant and equipment	3	5,671.53	4,657.32
(b)	Capital work-in-progress	4	121.78	22.46
(c)	Intangible assets	5	100.41	155.99
(d)	<u>Financial assets</u>			
(i)	Investments	6	41,707.81	35,538.69
(ii)	Other financial assets	7	1,728.20	1,388.71
(e)	Deferred tax assets (net)	8	254.72	---
(f)	Other non-current assets	9	242.46	245.75
<b>(2) Current assets</b>				
(a)	Inventories	10	11,554.98	10,768.13
(b)	<u>Financial assets</u>			
(i)	Investments	11	3,684.63	2,590.78
(ii)	Trade receivables	12	15,028.39	17,657.89
(iii)	Cash and cash equivalents	13	564.19	1,103.80
(iv)	Bank balances other than (iii) above	14	35.72	35.15
(v)	Loans	15	28.41	67.88
(vi)	Other financial assets	16	303.33	267.03
(c)	Other current assets	17	661.37	560.70
<b>Total Assets</b>			<b>81,687.93</b>	<b>75,060.28</b>
<b>(1) EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a)	Equity share capital	18	1,011.71	1,011.71
(b)	Other equity	19	73,810.23	67,660.75
<b>Total equity attributable to equity holders of the Company</b>			<b>74,821.94</b>	<b>68,672.46</b>
<b>Liabilities</b>				
<b>(2) Non-Current liabilities</b>				
(a)	Provisions	20	803.69	651.79
(b)	Deferred tax liabilities (Net)	8	---	378.65
<b>(3) Current liabilities</b>				
(a)	<u>Financial Liabilities</u>			
(i)	Trade payables	21		
	- Total outstanding dues of micro enterprises and small enterprises		184.37	33.34
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		505.89	71.20
(ii)	Other financial liabilities	22	232.82	182.44
(b)	Other current liabilities	23	4,361.05	4,489.13
(c)	Provisions	24	770.80	581.27
(d)	Current Tax Liabilities (Net)	25	7.37	---
<b>Total Liabilities</b>			<b>6,865.99</b>	<b>6,387.82</b>
<b>Total Equity and Liabilities</b>			<b>81,687.93</b>	<b>75,060.28</b>

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

For, C N K &amp; Associates, LLP

Chartered Accountants

Firm Registration No.:101961W/W-100036

Alok Shah

Partner

Membership No.42005

Place : Vadodara

Date : 10<sup>th</sup> June, 2020

For and on behalf of the Board

For Voltamp Transformers Limited

Kanubhai S. Patel  
Chairman & MDKunjalbhai L. Patel  
Vice Chairman & MDAshish S. Patel  
DirectorHemant P. Shaparia  
DirectorDr. Neela A. Shelat  
DirectorVallabh N. Madhani  
Whole Time Director &  
Chief Financial OfficerSanket Rathod  
Company Secretary

Place : Vadodara

Date : 10<sup>th</sup> June, 2020

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

ALL AMOUNTS ARE IN LAKHS UNLESS OTHERWISE STATED

Particulars	Note No.	Year ended March 31, 2020 (₹)	Year ended March 31, 2019 (₹)
Revenue from operations	26	85,857.57	82,882.80
Other income	27	1,456.23	3,624.87
<b>Total Income</b>		<b>87,313.80</b>	<b>86,507.67</b>
<b>EXPENSES</b>			
Cost of materials consumed	28	66,678.81	66,185.32
Changes in inventories of finished goods, Stock-in-Trade and work-in-process	29	(1,513.48)	(1,232.16)
Employee benefits expense	30	3,329.46	2,945.00
Finance costs	31	0.46	0.49
Depreciation and amortization expense	3 & 5	899.24	715.37
Other expenses	32	6,583.71	5,625.84
<b>Total expenses</b>		<b>75,978.20</b>	<b>74,239.86</b>
<b>Profit before tax</b>		<b>11,335.60</b>	<b>12,267.81</b>
<b>Tax expense:</b>			
(1) Current tax	33	2,990.48	3,450.28
(2) Deferred tax	33	(619.57)	321.98
(3) Income Tax of earlier years		26.98	11.66
<b>Profit for the year</b>		<b>8,937.71</b>	<b>8,483.89</b>
<b>Other Comprehensive Income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
- Remeasurement of defined benefit plans		(54.82)	1.89
- Equity instruments through other comprehensive income		(3.96)	4.08
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>			
- Remeasurement of defined benefit plans		13.80	(0.66)
- Equity instruments through other comprehensive income		1.12	----
<b>Total other comprehensive Profit / (Loss)</b>		<b>(43.86)</b>	<b>5.31</b>
<b>Total comprehensive income for the period</b>		<b>8,893.85</b>	<b>8,489.20</b>
<b>Earnings per equity share</b>			
(1) Basic	34	88.34	83.86
(2) Diluted	34	88.34	83.86

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

**For, C N K & Associates, LLP**

Chartered Accountants

Firm Registration No.:101961W/W-100036

**Alok Shah**

Partner

Membership No.42005

Place : Vadodara

Date : 10<sup>th</sup> June, 2020

For and on behalf of the Board

**For Voltamp Transformers Limited**

**Kanubhai S. Patel**  
Chairman & MD

**Hemant P. Shaparia**  
Director

**Kunjalbhai L. Patel**  
Vice Chairman & MD

**Dr. Neela A. Shelat**  
Director

**Sanket Rathod**  
Company Secretary

**Ashish S. Patel**  
Director

**Vallabh N. Madhani**  
Whole Time Director &  
Chief Financial Officer

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

ALL AMOUNTS ARE IN LAKHS UNLESS OTHERWISE STATED

## a. Equity Share Capital:

Particulars	Nos.	₹ In Lakhs
<b>Balance as at 1<sup>st</sup> April, 2018</b>	<b>1,01,17,120</b>	<b>1,011.71</b>
Changes in equity share capital during the year	---	---
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>1,01,17,120</b>	<b>1,011.71</b>
<b>Balance as at 1<sup>st</sup> April, 2019</b>	<b>1,01,17,120</b>	<b>1,011.71</b>
Changes in equity share capital during the year	---	---
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>1,01,17,120</b>	<b>1,011.71</b>

## b. Other Equity:

Particulars	Reserves and Surplus		Other Comprehensive Income (OCI)	Total Equity
	General Reserve	Retained Earnings	FVTOCI - Equity shares	
<b>As at 31<sup>st</sup> March, 2018</b>	<b>44,503.90</b>	<b>16,482.32</b>	<b>14.84</b>	<b>61,001.06</b>
Profit for the year	---	8,483.89	---	8,483.89
Other comprehensive income for the year	---	---	4.08	4.08
Remeasurement of the net defined benefit liability/asset, net of tax effect	---	1.23	---	1.23
Payment of dividend and dividend tax	---	(1,829.51)	---	(1,829.51)
<b>As at 31<sup>st</sup> March, 2019</b>	<b>44,503.90</b>	<b>23,137.93</b>	<b>18.92</b>	<b>67,660.75</b>
Profit for the year	---	8,937.71	---	8,937.71
Other comprehensive income for the year	---	---	(2.84)	(2.84)
Transfer of gain/(loss) on FVOCI equity investments to retained earnings	---	8.56	(8.56)	---
Remeasurement of the net defined benefit liability/asset, net of tax effect	---	(41.02)	---	(41.02)
Payment of dividend and dividend tax	---	(2,744.37)	---	(2,744.37)
<b>As at 31<sup>st</sup> March, 2020</b>	<b>44,503.90</b>	<b>29,298.82</b>	<b>7.52</b>	<b>73,810.23</b>

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

## For, C N K &amp; Associates, LLP

Chartered Accountants

Firm Registration No.:101961W/W-100036

Alok Shah

Partner

Membership No.42005

Place : Vadodara

Date : 10<sup>th</sup> June, 2020

For and on behalf of the Board

## For Voltamp Transformers Limited

Kanubhai S. Patel  
Chairman & MDKunjalbhai L. Patel  
Vice Chairman & MDAshish S. Patel  
DirectorHemant P. Shaparia  
DirectorDr. Neela A. Shelat  
DirectorVallabh N. Madhani  
Whole Time Director &  
Chief Financial OfficerSanket Rathod  
Company Secretary

Place : Vadodara

Date : 10<sup>th</sup> June, 2020

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

ALL AMOUNTS ARE IN LAKHS UNLESS OTHERWISE STATED

Particulars	For the year ended 31 <sup>st</sup> March, 2020 (₹)	For the year ended 31 <sup>st</sup> March, 2019 (₹)
<b>A Cash flow from operating activities</b>		
Profit before income tax	11,335.60	12,267.81
<b>Adjustments for :</b>		
Depreciation and amortisation expense	899.24	715.37
Interest income	(946.44)	(792.24)
Dividend income	(351.58)	(306.23)
Loss /(Profit) on sales of investment (Net)	(352.16)	(286.83)
Loss /(Profit) on sale of property, plant & equipment (Net)	(25.93)	(0.02)
Finance cost	0.46	0.49
Net (Gain)/loss arising on financial asset designated as at Fair value through Profit and Loss (FVTPL)	984.13	(1,580.93)
<b>Net Adjustments</b>	<b>207.72</b>	<b>(2,250.39)</b>
<b>Operating profit before working capital changes</b>	<b>11,543.32</b>	<b>10,017.42</b>
<b>Movements in working capital:</b>		
(Increase) / Decrease in trade receivables	2,629.50	(3,216.50)
(Increase) / Decrease in inventories	(786.84)	(1,069.93)
(Increase) / Decrease in other financial assets	(300.59)	(144.29)
(Increase) / Decrease in other non financial assets	(100.67)	56.19
Increase / (Decrease) in trade payables	585.71	(38.66)
Increase / (Decrease) in provision	286.62	(7.27)
Increase / (Decrease) in other financial liabilities	(77.48)	1,351.27
<b>Cash generated from operations :</b>	<b>13,779.57</b>	<b>6,948.23</b>
Direct taxes paid (net)	3,000.70	3,700.03
<b>Net cash from operating activities (A)</b>	<b>10,778.87</b>	<b>3,248.20</b>
<b>B Cash flows from investing activities</b>		
Proceeds of sale of property, plant and equipments	48.54	2.14
Purchase of property, plant and equipments (including capital work in progress and capital advances)	(1,985.91)	(1,091.19)
Interest received	910.13	759.42
Dividend received	351.58	306.23
Purchase of investments	(7,897.78)	(1,068.03)
<b>Net cash (used) in investing activities (B)</b>	<b>(8,573.44)</b>	<b>(1,091.43)</b>
<b>C Cash flow from financing activities :</b>		
Dividend paid and dividend distribution tax	(2,744.58)	(1,827.58)
Finance cost	(0.46)	(0.49)
<b>Net cash (used) in financing activities (C)</b>	<b>(2,745.04)</b>	<b>(1,828.07)</b>
<b>Net increase in cash and cash equivalents [(A)+(B)+(C)]</b>	<b>(539.61)</b>	<b>328.70</b>
<b>Cash and cash equivalents at the beginning of the year as per note 13</b>	<b>1,103.80</b>	<b>775.11</b>
<b>Cash and cash equivalents at the end of the year as per note 13</b>	<b>564.19</b>	<b>1,103.80</b>

**NOTES:**

- (i) The above cash flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standards - 7, "Statement of Cash Flow".
- (ii) Figures in bracket indicate Cash Outflow.

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

**For, C N K & Associates, LLP**

Chartered Accountants  
Firm Registration No.:101961W/W-100036

**Alok Shah**  
Partner  
Membership No.42005

Place : Vadodara  
Date : 10<sup>th</sup> June, 2020

For and on behalf of the Board  
**For Voltamp Transformers Limited**

**Kanubhai S. Patel**  
Chairman & MD

**Hemant P. Shaparia**  
Director

**Kunjalbhai L. Patel**  
Vice Chairman & MD

**Dr. Neela A. Shelat**  
Director

**Sanket Rathod**  
Company Secretary

**Ashish S. Patel**  
Director

**Vallabh N. Madhani**  
Whole Time Director &  
Chief Financial Officer

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE: 1

#### 1.1 CORPORATE INFORMATION

Voltamp Transformers Limited was incorporated in the year 1967 as Voltamp Transformers Private Limited in Vadodara, as a Private Company limited by shares. Subsequently, it was converted into a Public Company, in the year 2006. It has its registered office in Vadodara, and the manufacturing plants are located at Makarpura, Vadodara and at Savli, District Vadodara.

The Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2020 were authorized for issue in accordance with a resolution of the Board of Directors on 10<sup>th</sup> June, 2020.

#### 1.2 BASIS OF PREPARATION

##### i. Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (“Ind AS”) notified under section 133 of the Companies Act, 2013 (“the Act”), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act as applicable.

##### ii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except the following:

- Certain financial assets and liabilities that are measured at fair value;
- Defined benefit plans – plan assets measured at fair value.

##### iii. Functional and presentation currency

These financial statements are presented in Indian Rupees, which is the Company’s functional currency, and all values are rounded to the nearest Lakhs, except otherwise indicated.

#### 1.3 COMPOSITION OF FINANCIAL STATEMENTS

The financial statements are drawn up in INR, the functional currency of the company, and in accordance with Ind AS presentation. The financial statements comprise:

- Balance Sheet
- Statement of Profit & Loss
- Statement of Changes in Equity
- Statement of Cash flow
- Notes to Financial Statement

#### 1.4 SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES

##### A. Property, Plant and Equipment:

##### i. Recognition and measurement

Freehold land is carried at cost and not depreciated. All other items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in the Statement of Profit and Loss.

If significant parts of an item of property, plant and equipment have different useful life, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

An Item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### ii. Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

### iii. Capital Work-in-Progress

Plant and properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying asset, borrowing costs capitalized in accordance with the Company's accounting policies. Such plant and Properties are classified and capitalized to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the asset are ready for their intended use.

### iv. Depreciation

Depreciation is recognized so as to write off the cost of the assets (other than freehold land and Capital work in progress) less their residual values over their useful lives, using the written down value method as per the useful life prescribed in schedule II to the Companies Act, 2013. The Estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in the estimated accounted for on a prospective basis. The estimated useful lives are as mentioned below:

Asset	Useful Lives (Years)
Factory Building	30 years
Plant & Machinery	15 years
Electrical Installation	10 years
Furniture and Fixtures	10 years
Vehicles	8 years
Office Equipments	5 years
Computer & Hardwares	3 years

## B. Intangible Assets:

### i. Recognition and measurement

Intangible Assets are stated at cost of acquisition less accumulated amortization and accumulated impairment, if any. Amortization is done over their estimated useful life on straight line basis from the date that they are available for intended use, subjected to impairment test.

### ii. Amortization

Software, which is not an integral part of the related hardware is classified as an intangible asset and is amortized over the useful life of 3 years.

## C. Impairment:

### Non - financial assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite life may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in statement of Profit and Loss.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### D. Inventories:

Inventories are measured at the lower of Cost and Net Realizable Value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, costs include an appropriate share of fixed production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The Net realisable value of work in progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

### E. Trade Receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Trade receivables are carried at original invoice amount less any provisions for doubtful debts. Provision for allowance are made where there is evidence of risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollectable it is written off, firstly against any provision available then to Statement of Profit and Loss Account.

### F. Investments and Other Financial Assets:

#### Classification:

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through Statement of Profit and Loss), and
- Those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt or equity investments when and only when its business model for managing those assets changes.

#### Measurement

At initial recognition, in case of a financial asset not at fair value through profit and loss, the Company measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Statement of Profit and Loss are expensed in Statement of Profit and Loss.

- (a) 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.
- (b) 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 FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to 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.

- (c) Fair value through profit and loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

### Equity Instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to Statement of Profit and Loss. Dividends from such investments are recognized in Statement of Profit and Loss as other income when the Company's right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit and loss are recognized in other gain/ losses in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### Derecognition

A financial asset is derecognized only when

- (a) The Company has transferred the rights to receive cash flows from the financial asset 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.

### G. Cash and Cash Equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from the operating, investing and financing activities of the company segregated.

In the Cash-flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in liabilities on the balance sheet.

### H. Financial Liabilities:

#### Measurement

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

The Company's financial liabilities include trade and other payables, loans and borrowings.

#### De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the Effective Interest rate (EIR) amortization process.

### I. Foreign Currency Translation:

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



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Monetary assets and monetary liabilities denominated in foreign currencies remaining unsettled at the end of the year are converted at the exchange rate prevailing on the reporting date.

Differences arising on settlement or conversion of monetary items are recognized in statement of profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

**J. Revenue recognition:****I. Revenue from sale of product:**

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue from the sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on the delivery of the goods.

**Contract balances****Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer e.g. unbilled revenue. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset i.e. unbilled revenue is recognized for the earned consideration that is conditional.

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognized as revenue when the Company performs under the contract.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component, non-cash component and consideration payable to the customer like return, allowances, trade discounts and volume rebates.

Sales are disclosed excluding net of sales returns, service tax, value added tax and Goods and Services Tax (GST).

**II. Revenue from sale of Service:**

Revenue from service related activities is recognized as and when services are rendered and on the basis of contractual terms with the parties.

**K. Other Incomes****i. Dividend income:**

Revenue is recognised when the Company's right to receive the payment is established.

**ii. Interest income:**

Interest income from the financial assets is recognized on a time basis, by reference to the principle outstanding using the effective interest method provided it is probable that the economic benefits associated with the interest will flow to the Company and the amount of interest can be measured reliably. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### III. Export Incentives:

Export incentives are recognized when the right to receive them as per the terms of the entitlement is established in respect of exports made.

### iv. Other Income:

- i) Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.
- ii) Claims/Insurance Claim etc, are accounted for when no significant uncertainties are attached to their eventual receipts.

### L. Employee benefits:

#### i. Defined Benefit Obligation 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 and the tenure of employment. The gratuity plan in Company is funded through annual contributions to Life Insurance Corporation of India (LIC) under its Company's Gratuity Scheme. The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past-service costs are recognized immediately in profit or loss.

##### Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year and 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. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in profit or loss in the period in which they arise. Past-service costs are recognized immediately in profit or loss.

#### ii. Defined Contribution Plans:

##### Superannuation fund:

The Company has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. Such contributions are recognized as an expense as and when incurred. The Company does not have any further obligations beyond this contribution.

##### Provident Fund & Employee State Insurance:

Contribution towards provident fund and employee state insurance for employees 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020****iii. Short-term obligations:**

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

**M. Borrowing costs:**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

Other borrowing costs are expensed in the period in which they are incurred.

**N. Taxation:****i. Current Income Tax:**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India. 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.

**ii. Deferred Tax:**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred income tax is 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 nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Current and deferred tax is recognised in profit or 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.

### O. Provisions and Contingencies:

#### i. Provisions

Provisions for legal claims, product warranties and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Long-term provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. Short term provisions are carried at their redemption value and are not offset against receivables from reimbursements.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### ii. Contingent Liabilities

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.

### P. Government Grants:

Government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Deferred income is recognized in the statement of profit or loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the statement of profit or loss over the periods as and when related oblinecessary to match them with the related costs which they are intended to compensate.

### Q. Earnings per Share:

#### (i) Basic earnings per share

Basic earnings per equity share are calculated by dividing:

- The profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares.
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

#### (ii) Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**R. Leases:**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee****Lease Liability**

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

**Right-of-use assets**

Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

**Subsequent measurement****Lease Liability**

Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

**Right-of-use assets**

Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset.

**Impairment**

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the 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.

**Short term Lease:**

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

**Company as a lessor**

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

**Transition to Ind AS 116**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standard modified retrospective approach to its leases.

Refer note 1.4 (Q) significant accounting policy and other explanatory note -leases in the annual report of the company for the year ended 31st March,2019, for the erstwhile policy as per Ind AS 17.

### S. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segment. The Company has monthly review and forecasting procedure in place and CODM reviews the operations of the Company as a whole.

### T. Exceptional items:

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly are disclosed separately, if any.

## 1.5 KEY ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

While preparing financial statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on the management estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

**Judgment, estimates and assumptions are required in particular for:**

### (i) Determination of the estimated useful life of tangible assets

Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

### (ii) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

### (iii) Recognition of deferred tax liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### (iv) Discounting of financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial assets / liabilities which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

### (v) Provisions

Significant estimates are involved in the determination of provisions related to liquidated damages and warranty costs. The Company records a provision for onerous sales contracts when current estimates of total contract costs exceed expected contract revenue. The provision for warranty, liquidated damages, onerous contracts is based on the best estimate required to settle the present obligation at the end of the reporting period.

Legal proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, considerable judgment is part of determining whether it is probable that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a Legal Proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated. Internal and external counsels are generally part of the determination process.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**  
(₹ in Lakhs)

**3. Property, Plant and Equipments**

Particulars	Land - Freehold	Buildings	Office Building on Lease	Plant and Equipments	Electrical Installations	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Total
Gross carrying amount As at 01-04-2019	358.24	2,721.42	56.95	2,490.32	129.43	127.28	293.46	92.72	42.51	6,312.33
Additions	---	501.84	---	993.19	51.68	27.59	174.81	43.43	11.02	1,803.56
Disposals	---	---	---	10.84	---	---	143.65	---	---	154.49
Gross carrying amount As at 31-03-2020	358.24	3,223.26	56.95	3,472.68	181.10	154.87	324.62	136.15	53.53	7,961.40
Opening accumulated depreciation As at 01-04-2019	---	556.37	7.92	777.05	34.41	70.20	126.24	59.36	23.46	1,655.01
Charge for the year	---	221.08	2.39	404.53	25.93	16.82	66.21	15.41	14.36	766.72
Disposals	---	---	---	4.97	---	---	126.90	---	---	131.87
Closing accumulated depreciation As at 31-03-2020	---	777.45	10.32	1,176.60	60.34	87.02	65.55	74.77	37.81	2,289.87
Net carrying amount: As at 31-03-2020	358.24	2,445.81	46.63	2,296.08	120.76	67.85	259.07	61.38	15.72	5,671.53
Gross carrying amount As at 01-04-2018	358.24	2,543.73	56.95	1,780.53	82.46	119.77	221.11	84.11	43.95	5,290.83
Additions	---	177.69	---	716.24	46.97	7.51	84.84	9.59	16.61	1,059.45
Disposals	---	---	---	6.45	---	---	12.49	0.98	18.04	37.96
Gross carrying amount As at 31-03-2019	358.24	2,721.42	56.95	2,490.32	129.43	127.28	293.46	92.72	42.51	6,312.33
Opening accumulated depreciation As at 01-04-2018	---	347.19	5.41	499.67	15.84	51.85	92.14	38.73	27.47	1,078.28
Charge for the year	---	209.18	2.51	283.40	18.57	18.35	45.40	21.56	13.58	612.56
Disposals	---	---	---	6.02	---	---	11.29	0.93	17.59	35.83
Closing accumulated depreciation As at 31-03-2019	---	556.37	7.92	777.05	34.41	70.20	126.24	59.36	23.46	1,655.01
Net carrying amount: As at 31-03-2019	358.24	2,165.05	49.03	1,713.28	95.02	57.08	167.22	33.35	19.06	4,657.32

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>4 Capital Work-in-Progress</b>		
Capital Work in Progress	121.78	22.46
<b>5 Intangible assets</b>		
	<b>Computer Software</b>	<b>Technical Know How</b>
		<b>Total</b>
<b>Gross carrying amount</b>		
<b>Gross carrying amount As at 01-04-2019</b>	<b>289.72</b>	<b>71.21</b>
Additions	76.93	---
Disposals	---	---
<b>Gross carrying amount As at 31-03-2020</b>	<b>366.65</b>	<b>71.21</b>
<b>Accumulated Amortization:</b>		
<b>Opening accumulated amortization As at 01-04-2019</b>	<b>159.96</b>	<b>44.97</b>
Depreciation charged during the year	117.49	15.03
<b>Closing accumulated amortization As at 31-03-2020</b>	<b>277.45</b>	<b>60.00</b>
<b>Net carrying amount As at 31-03-2020</b>	<b>89.20</b>	<b>11.21</b>
<b>Gross carrying amount</b>		
<b>Gross carrying amount As at 01-04-2018</b>	<b>117.51</b>	<b>71.21</b>
Additions	172.21	---
Disposals	---	---
<b>Gross carrying amount As at 31-03-2019</b>	<b>289.72</b>	<b>71.21</b>
<b>Opening accumulated amortization As at 01-04-2018</b>	<b>72.15</b>	<b>29.98</b>
Depreciation charged during the year	87.82	14.99
<b>Closing accumulated amortization As at 31-03-2019</b>	<b>159.96</b>	<b>44.97</b>
<b>Net carrying amount As at 31-03-2019</b>	<b>129.75</b>	<b>26.24</b>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

## 6. Investments

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Investments at fair value through other comprehensive income</b>		
<b>a) Investment in Equity Instruments (Quoted)</b>		
Larsen & Toubro Ltd.	----	1.38
Ultra Tech Cement Ltd.	----	0.80
Siemens Ltd.	6.89	6.99
W.S. Insulators of India Ltd.	----	0.00
GE T&D India Ltd.	----	0.07
Jyoti Ltd.	----	0.01
RELIANCE Industries Ltd.	----	1.09
IDBI Ltd.	----	0.07
Crompton Greaves Ltd.	----	1.38
Bharat Bijlee Ltd.	1.13	2.19
Schneider Electric Infra Ltd.	----	0.03
IMP Power Ltd.	----	0.00
Indotech Transformers Ltd.	----	0.01
Transformers & Ret. Ltd.	----	0.01
Easunreynolle Ltd	----	0.00
Emco Ltd.	----	0.00
Diamond Power Infrastructure Ltd.	----	0.00
Meghmani Organics Ltd.	----	0.00
Shilcher Technologies Ltd.	----	0.02
PNB Housing Finance Ltd.	----	2.80
ABB India Ltd.	----	5.81
Times Guaranty Ltd.	----	0.09
HUDCO	----	0.11
<b>TOTAL (a)</b>	<b>8.02</b>	<b>22.85</b>
<b>b) Investments at Amortised cost</b>		
<b>Investments in Preference Shares (Quoted)</b>	805.44	605.44
<b>Investments in Bonds (Quoted)</b>	8,827.22	6,724.41
<b>TOTAL (b)</b>	<b>9,632.66</b>	<b>7,329.85</b>
<b>c) Investments at fair value through profit or loss</b>		
<b>Investments in Mutual Funds (Quoted)</b>		
- Debt Funds	21,394.74	17,092.59
- Equity Funds	6,598.77	5,486.27
<b>TOTAL (c)</b>	<b>27,993.51</b>	<b>22,578.86</b>
<b>d) Investment in Portfolio Management Service and AIF</b>	4,073.62	5,607.14
<b>Total Non Current Investments (e) = (a+b+c+d)</b>	<b>41,707.81</b>	<b>35,538.69</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>7 Other financial assets</b>		
Security Deposit	54.16	38.40
Bank deposit with original maturity of more than 12 months	1,674.04	1,350.31
<b>Total</b>	<b>1,728.20</b>	<b>1,388.71</b>
<b>8 Deferred Tax Assets/(Liabilities) (Net)</b>		
<b>Deferred Tax Assets</b>		
<b>The balance comprises temporary differences attributable to:</b>		
Provision For Employee Benefit	213.47	262.70
Property, Plant & Equipments	45.79	15.48
Remeasurements of the defined benefit plans	13.80	---
<b>Total</b>	<b>273.06</b>	<b>278.18</b>
<b>Deferred Tax Liability</b>		
<b>The balance comprises temporary differences attributable to:</b>		
Remeasurements of the defined benefit plans	---	0.66
Financial Asset at Fair Value Through Profit and Loss	12.05	656.18
Others	6.29	---
<b>Total</b>	<b>18.34</b>	<b>656.84</b>
<b>Net Deferred Tax Asset/(Liability)</b>	<b>254.72</b>	<b>(378.66)</b>
<b>9 Other Non-Current assets</b>		
Capital advance	141.11	135.01
Advance payment of Income Tax (Net of Provision)	101.35	110.74
<b>Total</b>	<b>242.46</b>	<b>245.75</b>
<b>10 Inventories</b> <b>(lower of cost and net realised value)</b>		
Raw Material	2,116.67	2,922.02
Components	350.13	289.01
Work-in-process	8,896.46	7,382.98
Stores and spares	191.72	174.12
<b>Total</b>	<b>11,554.98</b>	<b>10,768.13</b>
The above inventories are hypothecated as securities to the bankers against the fund based and non fund based limits availed or to be availed by the company.		
<b>11 Investments</b>		
<b><u>Investments at fair value through profit or loss</u></b>		
<b>Investments in Mutual Funds (Quoted)</b>		
- Debt Funds	3,134.53	1,539.49
<b>Investments at Amortised cost</b>		
Investments in Debenture (Quoted)	---	100.00
Investments in Bonds (Quoted)	550.10	951.29
<b>Total</b>	<b>3,684.63</b>	<b>2,590.78</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>12 Trade receivables</b>		
Trade receivables considered good - Secured	----	----
Trade receivables considered good - Unsecured	15,055.20	17,679.84
	<b>15,055.20</b>	<b>17,679.84</b>
Trade receivable which have significant increase in credit risk	16.12	22.12
Trade receivables credit impaired	----	----
	<b>15,071.32</b>	<b>17,701.96</b>
Less : Expected Credit Loss Allowance	(42.93)	(44.07)
<b>Total</b>	<b>15,028.39</b>	<b>17,657.89</b>
<b>13 Cash and cash equivalents</b>		
<b>Balances with banks</b>		
Cash credit account	466.73	1,059.38
Current accounts	71.48	21.63
Cash on hand	25.98	22.79
<b>Total</b>	<b>564.19</b>	<b>1,103.80</b>
<b>14 Bank balances other than above</b>		
<b>In other deposit accounts</b>		
Term deposits with maturity period more than 3 months but less than 12 months	3.23	3.04
Margin money deposit	20.07	19.48
Unpaid dividend account	12.42	12.63
<b>Total</b>	<b>35.72</b>	<b>35.15</b>
<b>15 Loans</b>		
<b>Loans receivables considered good - Unsecured</b>		
Security deposit and other deposit	5.17	22.55
Loans and advances to employees and others	23.24	45.33
<b>Total</b>	<b>28.41</b>	<b>67.88</b>
<b>16 Other financial assets</b>		
Interest income receivable on bonds	302.32	232.57
Interest accrued on deposits and others	1.01	34.46
<b>Total</b>	<b>303.33</b>	<b>267.03</b>
<b>17 Other current assets</b>		
<b>Unsecured, considered good</b>		
Advances to suppliers	560.17	465.95
Prepaid expenses	29.39	23.01
Balances with government authorities	63.60	70.56
Export incentives receivable	8.21	1.18
<b>Total</b>	<b>661.37</b>	<b>560.70</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**  
(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>18 Share Capital</b>		
<b>a) Authorised</b> 1,20,00,000 - Equity shares of ₹ 10/- each	1,200.00	1,200.00
	<b>1,200.00</b>	<b>1,200.00</b>
<b>b) Shares issued, subscribed and fully paid</b> 1,01,17,120 - Equity shares of ₹ 10/- each	1,011.71	1,011.71
	<b>1,011.71</b>	<b>1,011.71</b>
<b>c) Shares fully paid</b> 1,01,17,120 - Equity shares of ₹ 10/- each	1,011.71	1,011.71
	<b>1,011.71</b>	<b>1,011.71</b>

- d) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	Numbers	₹ in Lakhs	Numbers	₹ in Lakhs
At the beginning of the period	1,01,17,120	1,011.71	1,01,17,120	1,011.71
Add / (Less) : Changes during the year	----	----	----	----
<b>At the end of the period</b>	<b>1,01,17,120</b>	<b>1,011.71</b>	<b>1,01,17,120</b>	<b>1,011.71</b>

- e) **Terms & Rights attached to each class of shares;**

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of the liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

- f) **Shares held by shareholders each holding more than 5% of the shares**

Shareholders	As at March 31, 2020 No. of Shares	As at March 31, 2019 No. of Shares
<b>Equity shares with voting rights</b>		
Kunjali Investments Private Limited	43,44,474	40,01,164
Kunjali Lalitkumar Patel	7,14,087	5,79,379
Nalanda India Fund Limited	7,88,340	7,88,340
Nalanda India Equity Fund Limited	6,47,732	6,47,732
Reliance Capital Trustee Company Limited	5,53,486	8,97,711
UTI Mid Cap Fund	4,78,548	5,55,984

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>19 Other Equity</b>		
General Reserve	44,503.90	44,503.90
Equity Instruments through other comprehensive income	7.52	18.92
Retained Earnings	29,298.81	23,137.93
<b>Total</b>	<b>73,810.23</b>	<b>67,660.75</b>
<b>General Reserve (transfer of a portion of the net profit)</b>		
Balance as per the last financial statements	44,503.90	44,503.90
Add: Current year transfer	----	----
<b>Total</b>	<b>44,503.90</b>	<b>44,503.90</b>
<b>Equity Instruments through Other Comprehensive Income (Refer note below)</b>		
As per last Balance Sheet	18.92	14.84
Add/Less : Additions/(Deletions) during the year	(2.84)	4.08
Transfer of gain/(loss) on FVOCI equity investments to retained earnings	(8.56)	----
<b>Total</b>	<b>7.52</b>	<b>18.92</b>
<b>Retained Earnings</b>		
Balance as per the last financial statements	23,137.93	16,482.32
Add : Profit for the year as per statement of profit and loss	8,937.71	8,483.89
Add : Transfer of gain/(loss) on FVOCI equity investments	8.56	----
Add/(Less): Remeasurement of the net defined benefit liability/asset, (net of tax effect)	(41.02)	1.23
Less Appropriations :		
Dividend and dividend distribution tax thereon	(2,744.37)	(1,829.51)
<b>Total</b>	<b>29,298.81</b>	<b>23,137.93</b>
Note: Equity Instrument held at FVOCI: The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.		
<b>20 Provisions</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 36)	462.25	339.87
Provision for compensated absences	341.44	311.92
<b>Total</b>	<b>803.69</b>	<b>651.79</b>
<b>21 Trade Payables</b>		
Total outstanding due of micro enterprises and small enterprise (refer note 43)	184.37	33.34
Total Outstanding due of creditors other than micro enterprise and small enterprise	505.89	71.20
<b>Total</b>	<b>690.26</b>	<b>104.54</b>
<b>22 Other Financial Liabilities</b>		
Unpaid dividends	12.29	12.50
Trade/Security deposit	33.07	32.01
Payable towards other expenses	187.46	137.93
<b>Total</b>	<b>232.82</b>	<b>182.44</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**  
(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>23 Other Current Liabilities</b>		
Advances from customers	2,923.97	2,614.01
Statutory remittances	749.22	1,356.83
Salary and wages payable	687.86	518.29
<b>Total</b>	<b>4,361.05</b>	<b>4,489.13</b>
<b>24 Provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity payable (refer note 36)	77.60	68.08
Provision for compensated absences	43.98	30.11
Bonus	216.28	190.53
<b>Provision - Others</b>		
Warranties (refer note no. 40)	432.94	292.55
<b>Total</b>	<b>770.80</b>	<b>581.27</b>
<b>25 Current Tax Liabilities</b>		
Provision for Tax (Net of Advance Tax)	7.37	----
<b>Total</b>	<b>7.37</b>	----

(₹ in Lakhs)

Particulars	For the year ended 31-Mar-2020	For the year ended 31-Mar-2019
<b>26 Revenue from operations</b>		
Sale of products	83,432.79	80,404.14
Sale of services	1,802.39	1,697.81
	<b>85,235.18</b>	<b>82,101.95</b>
<b>Other operating revenues</b>		
Recoveries towards incidental services	622.39	780.85
	<b>622.39</b>	<b>780.85</b>
<b>Total</b>	<b>85,857.57</b>	<b>82,882.80</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

Particulars	For the year ended 31-Mar-2020	For the year ended 31-Mar-2019
<b>27 Other Income</b>		
Interest income (refer note 27 (i))	946.44	792.24
Dividend income	351.58	306.23
<b>Other Non operating income</b> (net of expenses directly attributable to such income)		
Bills discounting income	595.50	521.74
Doubtful debts and write back, (net)	63.50	58.67
Other miscellaneous income	80.66	70.21
Export incentives	38.79	8.02
Net gain on foreign currency transaction and translation	11.73	---
<b>Other gains and losses</b>		
Net gain/(loss) arising on financial asset designated as at FVTPL	(984.13)	1,580.93
Net gain/loss on sale of investments	352.16	286.83
<b>Total</b>	<b>1,456.23</b>	<b>3,624.87</b>
<b>27(i) Interest Income</b>		
<b>Interest income comprises of :</b>		
Interest on banks deposits and others	144.44	122.59
Interest on bonds	733.97	621.39
Other interest income	68.03	48.26
<b>Total - Interest income</b>	<b>946.44</b>	<b>792.24</b>
<b>28 Cost of Raw Material and Components</b>		
Cost of raw material consumed	47,218.78	47,927.22
Consumption of components and stores	19,460.03	18,258.10
<b>Total</b>	<b>66,678.81</b>	<b>66,185.32</b>
<b>29 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
Inventories at the end of the year:		
Work In progress	8,896.46	7,382.98
	<b>8,896.46</b>	<b>7,382.98</b>
Inventories at the beginning of the year:		
Work In progress	7,382.98	6,150.82
	<b>7,382.98</b>	<b>6,150.82</b>
<b>Net (increase) / decrease</b>	<b>(1,513.48)</b>	<b>(1,232.16)</b>
<b>30 Employee Benefits Expense</b>		
Salaries, wages and bonus	3,035.00	2,661.41
Contributions to provident fund and other funds (refer note 36)	280.18	247.16
Staff welfare expenses	14.28	36.43
<b>Total</b>	<b>3,329.46</b>	<b>2,945.00</b>
<b>31 Finance Cost</b>		
Bank Interest	0.46	0.49
<b>Total</b>	<b>0.46</b>	<b>0.49</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(₹ in Lakhs)

Particulars	For the year ended 31-Mar-2020	For the year ended 31-Mar-2019
<b>32 Other Expenses</b>		
Power and fuel	458.78	444.63
Bank Charges	72.05	58.27
Labour Charges	1,632.36	1,362.68
Repairs and maintenance :		
- on building	117.98	67.14
- on machinery	222.69	166.67
- others	113.12	87.60
Rent (refer note 35)	56.19	42.81
Consultancy charges	914.74	682.22
Auditor's remuneration (refer below note)	10.30	10.20
Travelling and conveyance	454.47	440.65
Insurance	68.97	54.86
Net loss on foreign currency transaction and translation	—	4.82
Corporate social responsibility expenditures (Refer note 38)	161.42	78.29
Selling and distribution expenditure	150.40	90.17
Warranty exps (refer Note 40)	163.81	58.87
Freight outward	1,435.31	1,481.55
Sales commission	76.79	109.51
Bad debts/advances written off	30.60	26.10
Security expenses	80.21	70.31
Miscellaneous expenses	363.52	288.49
<b>Total</b>	<b>6,583.71</b>	<b>5,625.84</b>
<b>Notes: Auditors' Remuneration</b>		
Payments to the auditors comprises :		
Statutory audit	10.00	10.00
Reimbursement of expenses	0.30	0.20
<b>Total</b>	<b>10.30</b>	<b>10.20</b>
<b>33 Tax Expense</b>		
<b>(a) Income tax expense</b>		
Current tax on profits for the year	2,990.48	3,450.28
Income Tax of earlier years	26.98	11.66
	<b>3,017.46</b>	<b>3,461.94</b>
Deferred tax	(619.57)	321.98
<b>Total</b>	<b>2,397.90</b>	<b>3,783.92</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate</b>		
Profit before income tax expense	11,335.60	12,267.81
<b>Tax at the Indian tax rate of 25.17% (2018-2019 – 34.61%)</b>	<b>2,852.94</b>	<b>4,286.87</b>
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Income considered separately	(367.04)	20.71
Tax-exempt income (dividend, tax free bond interest)	(250.71)	(290.38)
Non-deductible tax expenses (disallowances u/s 14A, 43B, capital expenditure etc)	130.06	(199.45)
Depreciation	(18.91)	(47.59)
Others	51.55	13.75
<b>Income Tax Expense</b>	<b>2,397.89</b>	<b>3,783.92</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020****34 Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
<b>Profit attributable to Equity share holders of Company</b>		
Profit after tax available for equity shareholders	8,937.71	8,483.89
Weighted Average number of equity shares	1,01,17,120	1,01,17,120
<b>Basic/Diluted earnings per share</b> (Face value per share ₹ 10/- each)	88.34	83.86

**35 Operating Leases**

The Company has taken various premises under operating lease. The Lease agreements have no sub leases. These Lease are generally cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by lease agreements. The lease payment recognised in the statement of profit & loss during the year is ₹ 56.19 lakhs (P.Y. ₹ 42.81 lakhs).

**36 Employee benefits****[A] Defined contribution plans:**

The Company makes contributions towards provident fund and superannuation fund to defined contribution retirement benefit plan for qualifying employees. The provident fund contributions are made to Government administered Employees Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary. The superannuation fund is administered by the Life Insurance Corporation of India. Under the plan, the Company is required to contribute a specified percentage of the covered employee's salary to the retirement benefit plan to fund the benefits. The scheme will not covered newly joined employees on or after October 1, 2009.

The Company recognised ₹ 197.77 lakhs (31.03.2019: ₹ 171.26 lakhs) for contributions to various funds in the Statement of Profit and Loss.

**[B] Defined benefit plan:**

The company's plan assets in respect of Gratuity are Partly funded through the Group Scheme of Life Insurance Corporation of India. The scheme provides for payment to vested employees as under:

- i) On normal retirement / early retirement / withdrawal / resignation: As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.
- ii) On death in service: As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2020. (₹ in Lakhs)

Particulars	Gratuity - Funded as on	
	March 31, 2020	March 31, 2019
<b>a) Reconciliation in present value of obligations (PVO) - defined benefit obligation:</b>		
Present value of benefit obligation at the beginning of the period	1,228.83	1,114.62
Interest cost	92.65	87.16
Current service cost	51.98	46.90
Actuarial (gains)/losses - due to change in demographic assumptions, change in financial assumptions & change in experience	46.28	(2.91)
Benefits paid	(11.00)	(16.94)
<b>Present value of benefit obligation at the end of the period</b>	<b>1,408.74</b>	<b>1,228.83</b>
<b>b) Change in fair value of plan assets:</b>		
Fair value of plan assets at the beginning of the year	820.88	773.52
Expected return on plan assets	61.89	60.49
Return on plan assets, excluding Interest income	(8.54)	(1.02)
Contributions by the employer	5.65	4.83
Benefits paid	(11.00)	(16.94)
<b>Fair value of plan assets at the end of the year</b>	<b>868.89</b>	<b>820.88</b>
<b>c) Reconciliation of PVO and fair value of plan assets:</b>		
Present value of benefit obligation at the end of the period	1,408.74	1,228.84
Fair value of planned assets at the end of year	868.89	820.88
Funded status	(539.85)	(407.95)
<b>Net asset/(liability) recognised in the balance sheet</b>	<b>(539.85)</b>	<b>(407.95)</b>
<b>d) Net cost for the year ended:</b>		
Interest cost	92.65	87.16
Current service cost	51.98	46.90
Expected return on plan assets	(61.89)	(60.49)
Actuarial (gains)/ losses	54.81	(1.89)
<b>Net cost</b>	<b>137.55</b>	<b>71.68</b>
<b>e) Amount recognised in other comprehensive income Remeasurements :</b>		
Actuarial (gains)/ losses	54.81	(1.89)
<b>f) Actual return on the plan assets:</b>	61.89	60.49
<b>g) Major category of assets as at:</b>		
Insurer managed funds	868.89	820.88
<b>h) Assumption used in accounting for the gratuity plan:</b>		
Discount rate (%)	6.84%	7.54%
Rate of return on plan assets (for funded scheme)	6.84%	7.54%
Expected retirement age of employees (years)	60	60
Salary escalation rate (%)	8.00%	8.00%
Rate of leaving service	6.00%	6.00%

Note 1: Discount rate is determined by reference to market yields at the balance sheet date on Government bonds, where the currency and terms of the Government bonds are consistent with the currency and estimated terms for the benefit obligation.

Note 2: The estimate of future salary increases taken into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Note 3: 100% of the plan assets are invested in group gratuity scheme offered by LIC of India alongwith bank balance.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020****i) Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Projected Benefit Obligation on Current Assumptions	1,408.74	1,228.84
Delta Effect of +1 % Change in Rate of Discounting	(71.09)	(64.48)
Delta Effect of -1 % Change in Rate of Discounting	80.51	72.65
Delta Effect of +1 % Change in Rate of Salary Increase	78.81	71.62
Delta Effect of -1 % Change in Rate of Salary Increase	(70.99)	(64.79)
Delta Effect of +1 % Change in Rate of Employee Turnover	(6.00)	(2.32)
Delta Effect of -1 % Change in Rate of Employee Turnover	6.63	2.55

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
<b>Total employee benefit liabilities</b>		
Non-current	462.25	339.87
Current	77.60	68.08
<b>Total</b>	<b>539.85</b>	<b>407.95</b>

**[C] Other Long term Benefit plan:**

The Company's Long Term benefits includes Leave Encashment payable at the time of retirement subject to, policy of maximum leave accumulation of company. The scheme is not funded

(₹ in Lakhs)

Particular	Leave encashment	
	March 31, 2020	March 31, 2019
Obligation at the year beginning	342.03	306.11
Actuarial (gains) / losses on obligation	43.39	35.92
Obligation at the year end	385.42	342.03

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### 37 Related party transactions

#### Related Party disclosures:

#### A Names of the related parties and description of relationship

Sr.No.	Name of related party	Nature of relation
1	Kunjai Investments Private Limited	Entity having significant influence over the company
2	Shi Kunjalbhai L. Patel	Key Managerial Person
3	Shri Kanubhai S. Patel	Key Managerial Person
4	Shri Hemant P. Shaparia	Independent Director
6	Dr. Neela A. Shelat	Independent Director
7	Shri Vallabh N. Madhani	Whole Time Director and CFO
8	Shri Ashish S. Patel	Independent Director
9.	Shri Sanket K. Rathod	Company Secretary
10	Smt. Urmilaben L. Patel	Relative of Key Managerial Person
11	Smt. Taral K. Patel	Relative of Key Managerial Person
12	Smt. Vanila K. Patel	Relative of Key Managerial Person
13	Haribhai Kevalbhai Public Charitable Trust	Key Managerial Person is a Trustee
14	Samvedana Foundation	Key Managerial Person is a Director

#### B Particulars of Transactions with Related Parties

(₹ in Lakhs)

Particulars		Year Ended March 31,2020	Year Ended March 31,2019
Short term employee benefits		733.32	739.45
Post-employment benefits - defined contribution plan		98.92	86.81
Post-employment benefits - defined benefit plan		137.98	94.28
Other long term benefits		33.79	30.34
Dividend Paid		1030.62	650.67
Director's sitting fees		1.10	1.50
<b>Total Compensation paid to Key Managerial Personnel</b>		<b>2,035.73</b>	<b>1,603.05</b>
Name of Related Party	Nature of transaction	(₹ in Lakhs)	
		Year Ended March 31,2020	Year Ended March 31,2019
Shri Kunjalbhai L. Patel	Managerial Remuneration	382.35	392.02
Shri Kanubhai S. Patel	Managerial Remuneration	398.27	398.53
Shri Vallabh N. Madhani	Remuneration	41.17	27.79
Shri Sanket K. Rathod	Remuneration	10.45	7.92
Kunjai Investments Pvt Ltd	Dividend	900.26	570.21
Shri Kunjalbhai L. Patel	Dividend	130.36	80.46
<b>Total</b>		<b>1,862.86</b>	<b>1,476.92</b>

#### C The following balances were outstanding at the end of the reporting period:

(₹ in Lakhs)

Particulars	Amounts Owed to related parties as at	
	March 31,2020	March 31,2019
Shri Kunjalbhai L. Patel	138.72	114.05
Shri Kanubhai S. Patel	142.86	114.05
<b>Total</b>	<b>281.58</b>	<b>228.10</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020****38 Corporate Social Responsibility**

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediate preceding three financial years on Corporate Social Responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per Act. The funds were Primarily allocated to a corpus and utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

- a) Gross Amount to be spent by the Company during the year is ₹ 176.34 Lakhs  
 b) Amount Spent during the year on:

(₹ in Lakhs)

Particular	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	----	----	----
ii) On purpose other than (i) above	161.42	----	161.42
<b>Total</b>	<b>161.42</b>	<b>----</b>	<b>161.42</b>

**39 Operating Segments**

The Company has only one operating segment, i.e. manufacturing of electrical transformers.

Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Company total Revenues.

**40 Disclosure relating to Provision****Provision for warranty**

Warranty cost are provided based on a technical estimated of the costs required to be incurred for repairs, replacement, material cost, servicing and past experience in respect of warranty costs. It is expected that this expenditure will be incurred over the contractual warranty period.

The movement in the above provisions are summarised below:

(₹ in Lakhs)

Particulars	Warranty	
	2019-20	2018-19
Balance as at 1 <sup>st</sup> April, 2019	292.55	420.57
Provision:		
Created	262.97	117.75
Utilised	(122.57)	(186.89)
Reversed	----	(58.87)
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>432.94</b>	<b>292.55</b>

**41 Disclosure under Ind AS 115 Revenue from contracts with customers**

The company derives revenue from sale of products, service and scrap from its contract with customers. The revenue have been disclosed in Note No. 26.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### (a) Disaggregation of revenue from contracts with customers

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Revenue from contracts with customers</b>		
Revenue from sale of products	83,432.79	80,404.14
Revenue from services income	1,802.39	1,697.81
<b>Revenue from contracts with customers</b>		
Revenue from sale of products		
India	81,905.81	78,444.69
Export (including deemed export)	1,526.99	1,959.45
<b>Total</b>	<b>83,432.79</b>	<b>80,404.14</b>
<b>Revenue from services income</b>		
India	1,800.51	1,696.31
Export	1.88	1.50
<b>Total</b>	<b>1,802.39</b>	<b>1,697.81</b>

### 42 Contingent Liabilities and Capital Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>a) Contingent Liabilities :</b>		
Bank Guarantee	18,219.91	18,062.24
<b>b) No Provision has been made for the following demands raised by the authorities since the company has reason to believe that it would get relief at the appellate stage :</b>		
Central Excise Duty	589.07	618.04
Sales Tax	—	33.74
Income Tax	1,075.10	1,215.78
	<b>1,664.17</b>	<b>1,867.56</b>
<b>c) Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account & not provided for Net of Advances.	756.38	556.58

### 43 Disclosure related to Micro, Mall and Medium enterprises

On the basis of confirmation obtained from the supplier who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the company, the following are the details:

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020****Outstanding dues to Micro, Small and Medium enterprises**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	190.57	33.34
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	----	----
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	----	----
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	----	----
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	----	----

Note 1: The principal amount due to Micro, Small and Medium Enterprises includes Retention amount of ₹ 2.57 Lakhs (PY ₹ Nil)

Note 2: Out of above, amount pertaining to Medium Enterprises is ₹ 6.20 Lakhs (PY ₹ Nil)

**44 FAIR VALUE MEASUREMENTS****Financial instruments by category**

(₹ in Lakhs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Investments						
- Equity Instruments	----	8.02	----	----	22.85	----
- Preference Shares	----	----	805.44	----	----	605.44
- Debentures	----	----	----	----	----	100.00
- Mutual Funds	31,128.04	----	----	24,118.34	----	----
- Portfolio Management Service ( PMS )	4,073.62	----	----	5,607.14	----	----
- Bonds	----	----	9,377.32	----	----	7,675.70
Trade Receivables	----	----	15,028.39	----	----	17,657.89
Cash and Cash Equivalents	----	----	564.19	----	----	1,103.80
Bank Balances other than above	----	----	35.72	----	----	35.15
Bank deposit with original maturity of more than 12 months	----	----	1,674.04	----	----	1,350.31
Loan to Employees	----	----	23.24	----	----	45.33
Security Deposit	----	----	59.33	----	----	60.95
Other Financial Assets	----	----	303.33	----	----	267.03
<b>Total Financial Assets</b>	<b>35,201.66</b>	<b>8.02</b>	<b>27,871.00</b>	<b>29,725.49</b>	<b>22.85</b>	<b>28,901.60</b>
<b>Financial Liabilities</b>						
Trade payables	----	----	690.26	----	----	104.54
Other financial liabilities	----	----	232.82	----	----	182.44
<b>Total Financial Liabilities</b>	<b>----</b>	<b>----</b>	<b>923.08</b>	<b>----</b>	<b>----</b>	<b>286.97</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### (I) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

#### Financial Assets and Liabilities measured at fair value - recurring fair value measurements

(₹ in Lakhs)

As at March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investments at FVTPL</b>					
Mutual Funds	6 & 11	31,128.04	----	----	31,128.04
Portfolio Management Service (PMS)	6	4,073.62	----	----	4,073.62
<b>Financial Investments at FVOCI</b>					
Equity Instruments	6	8.02	----	----	8.02
<b>Total Financial Assets</b>	----	<b>35,209.68</b>	----	----	<b>35,209.68</b>
<b>Financial Liabilities</b>	----	----	----	----	----
<b>Total Financial Liabilities</b>	----	----	----	----	----
<b>As at March 31, 2019</b>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>					
<b>Financial Investments at FVTPL</b>					
Mutual Funds	6 & 10	24,118.34	----	----	24,118.34
Portfolio Management Service (PMS)	6	5,607.14	----	----	5,607.14
<b>Financial Investments at FVOCI</b>					
Equity Instruments	6	22.85	----	----	22.85
<b>Total Financial Assets</b>	----	<b>29,748.33</b>	----	----	<b>29,748.33</b>
<b>Financial Liabilities</b>	----	----	----	----	----
<b>Total Financial Liabilities</b>	----	----	----	----	----

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds and Portfolio Management Service (PMS) that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV. The Portfolio Management Service (PMS) are valued at the fair value provided by the respective fund manager as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

### (ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted analysis.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020****45 Financial Risk Management**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**(A) Credit risk**

Credit risk is the risk of financial loss to the company if customers or counter party to a financial instruments fails to meet its contractual obligations and arises principally from the company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants the credit terms in the normal course of business. The company establishes an allowance for doubtful debts and impairment that represents its estimates of current losses in respect of trade and other receivables.

**(i) Credit risk management**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer and including the default risk of the industry, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

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;
- iv) Significant increase in credit risk on other financial instruments of the same counterparty;
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a trade receivables failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognized from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and relevant information that is available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

The reconciliation of ECL is as follows:

(₹ in Lakhs)

Particulars	As at March 31 2020	As at March 31 2019
Balance at the beginning of the year	44.07	292.04
Provision made/(reversed) during the year	(1.14)	(247.97)
<b>Balance at the end</b>	<b>42.93</b>	<b>44.07</b>

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired

### (B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### (i) Maturities of financial liabilities

The tables herewith analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

#### Contractual maturities of financial liabilities

(₹ in Lakhs)

Particulars	Less than 1 year	More than 1 year	Total
<b>As at March 31, 2020</b>			
<b>Non-derivatives</b>			
Other financial liabilities	232.82		232.82
Trade payables	690.26		690.26
<b>Total Non-derivative liabilities</b>	<b>923.08</b>	<b>----</b>	<b>923.08</b>
<b>As at March 31, 2019</b>			
<b>Non-derivatives</b>			
Other financial liabilities	182.44		182.44
Trade payables	104.54		104.54
<b>Total Non-derivative liabilities</b>	<b>286.98</b>	<b>----</b>	<b>286.98</b>

### (c) Market Risk

#### (i) Price Risk

The company is mainly exposed to the price risk due to its investments in equity instrument, equity and debt mutual funds, Bond and Portfolio Management Service (PMS). The price risk arises due to uncertainties about the future market values of these investments. The above instruments risk are arises due to uncertainties about the future market values of these investments.

#### Management Policy

The company maintains its portfolio in accordance with the framework set by the Risk Management Policies. Any new investment or divestment must be approved by the Board of Directors, Chief Financials Officer and Risk Management Committee.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020****(ii) Currency Risk**

The company has not significant Exposure for Export's revenue and import of raw material and Property, Plant and Equipment so the company is not subject to risk that changes in foreign currency value impact.

**46 Capital Management****Risk management**

For the purpose of the company's capital management, equity includes equity share capital and all other equity reserves attributable to the equity holders of the Company. The Company manages its capital to optimise returns to the shareholders and makes adjustments to it in light of changes in economic conditions or its business requirements. The Company's objectives are to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Company funds its operation through internal accruals. The management and Board of Directors monitor the return on capital as well as the level of dividends to shareholders.

**47** The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements.

**48 Events after reporting Period****(a) Scheme of Amalgamation:**

The Board of Directors of the Company, at its meeting held on 11<sup>th</sup> May, 2020 have considered and approved a Scheme of Amalgamation (the "Scheme") between the Company and Kunjal Investment Private Limited ("KIPL"). The scheme contemplates the amalgamation of KIPL with the Company. The appointed date for the scheme is 1st June, 2020 or such other date as may be fixed or approved by the National Company Law Tribunal (NCLT) as and when applicable. There is no cash consideration to be given to KIPL. Further, there are common promoters in the Company and KIPL, KIPL holds 42.94% equity shareholding in the Company i.e 43,44,474 Equity Shares, and pursuant to the Scheme, 43,44,474 equity shares of the Company are proposed to be issued and allotted to shareholders of KIPL.

**(b) Interim Dividend:**

The Board of Directors of the company at the board meeting held on 11<sup>th</sup> May, 2020 has recommended and approved interim dividend of ₹ 25 per Equity Share aggregating to ₹ 2529.28 lakhs. The above Interim dividend had been declared and paid after end of the reporting period.

**49** The financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 10<sup>th</sup> June, 2020. The financial statements as approved by the Board of Directors are subject to final approval by its Shareholders.

**50** The previous year's figures have been regrouped / rearranged wherever necessary to make it comparable with the current year.

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

**For, C N K & Associates, LLP**

Chartered Accountants

Firm Registration No.:101961W/W-100036

**Alok Shah****Partner****Membership No.42005****Place : Vadodara****Date : 10<sup>th</sup> June, 2020**

For and on behalf of the Board

**For Voltamp Transformers Limited****Kanubhai S. Patel**  
**Chairman & MD****Kunjalbhai L. Patel**  
**Vice Chairman & MD****Ashish S. Patel**  
**Director****Hemant P. Shaparia**  
**Director****Dr. Neela A. Shelat**  
**Director****Vallabh N. Madhani**  
**Whole Time Director &**  
**Chief Financial Officer****Sanket Rathod**  
**Company Secretary****Place : Vadodara****Date : 10<sup>th</sup> June, 2020**





## **VOLTAMP TRANSFORMERS LIMITED**

### **Registered Office**

#### **& Works 1**

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