



ERI-TECH

**ANNUAL REPORT
2020-2021**

ERI-TECH LIMITED

ERI-TECH LIMITED

BOARD OF DIRECTORS

Executive Directors

Mrs. Shraddha Jhunjunwala

Mr. Archit Jhunjunwala

Non-Executive Directors

Dr. Ashok Kumar Kapoor

AUDITOR

B. R. KHAITAN & Co.

Chartered Accountants

SOLICITORS

M/s. Khaitan & Co.

BANKERS

AXIS Bank Limited

REGISTERED OFFICE

53B, Mirza Ghalib Street

Kolkata 700 016

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of your Company are pleased to present the **Annual Report** together with the Audited Statement of Accounts of the Company for the Financial Year ended **31st March, 2021**.

Rupees in Lacs

	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Revenue from operations	6,395.58	14,289.28
Total expenditure	4,783.43	10,437.26
Operating Profit / (Loss)	1,612.15	3,852.02
Other Income	55.73	34.02
Profit (Loss) before interest, depreciation, amortization and Tax	1,667.88	3,886.04
Finance cost	10.22	17.28
Depreciation	29.11	28.37
Profit/(Loss) before Tax	1,628.55	3,840.39
Tax expenses	413.30	963.33
Tax expenses previous year	3.93	112.92
Profit/(Loss) after tax	1,211.32	2,764.14
Other comprehensive income /(Loss)	3,464.87	(1,606.56)
Balance carried over	4676.18	1,157.58

OPERATIONS AND MANAGEMENT

Your Directors wish to report that in spite of adverse situation resulting in lockdowns in most of the part of the financial year, your Company has achieved a turnover of Rs. 6,395.58 lacs as compared to the previous year for Rs. 14289.28 lacs. The revenues show Profit after tax of Rs.1,211.32 lacs as compared to previous year at Rs. 2764.14 lacs.

As you are aware the Company is engaged in Power sectors and Telecommunication Sector. Your Company is making all efforts to achieve its core manufacturing activities in order to achieve its objectives. The Company has over a period of few years has added technical expertise/facilities involving structural, telecommunication and instrumentation work apart from Company's expertise in Electrical Conductors and Accessories. It has continuous initiative to procure further business in the area of supply and erection packages in telecommunication sector apart from contracting and manufacturing for power sector.

DIVIDEND

Your Directors regret that they are unable to recommend any dividend for the year ended 31st March, 2021.

DIRECTORS

Mrs. ShraddhaJhunjunwala, Director who retires by rotation and being eligible, offers himself for re-appointment.

AUDITORS

M/s. B. R. Khaitan & Co., Chartered Accountants, (Regn. No.305012E) the retiring Auditor, are eligible for re-appointment as Statutory Auditors of the Company as from the ensuing of this Annual General Meeting to the conclusion of Annual General Meeting of the Company to be held in the year 2023. As required by the provision of the Companies Act, 2013, their appointment should be ratified by members each year at the AGM. Accordingly, requisite resolutions forms part of the notice convening the AGM.

ERI-TECH LIMITED

COST AUDITORS

Pursuant to the orders issued by the Central Govt. under Sec.148 of the Companies Act, 2013, the Board of Directors of the Company has appointed M/s. A S & Associates, Cost Accountants, ILA Apartment, 102, Banerjee Para, Kolkata- 700 031, for conducting the audit of the cost accounting records maintained by the Company for all its products.

SECRETARIAL AUDITORS

Section 204 of the Companies Act, 2013 inter-alia requires every listed company to annex with its Board's report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form.

The Secretarial Auditors' for the financial year ending 31st March, 2021 is given in Annexure which forms part of this report.

PARTICULARS OF EMPLOYEES

No employee of the Company was in receipt of remuneration exceeding the limit as prescribed under section 134 of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors hereby confirm

- i. that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along-with proper explanation relating to material departures.
- ii. 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 true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii. that the directors had taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. that the directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

The Company has taken adequate steps to ensure that the conditions of Corporate Governance as stipulated under clause 49 of the listing agreements of the Stock Exchanges are complied with. A separate section on Corporate Governance and a Certificate of the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the listing agreement with the Stock Exchanges, form part of the Annual Report.

HUMAN RESOURCES & INDUSTRIAL RELATION

Industrial relations during the period were cordial and the Board would like to place on record its appreciation of the valuable contributions made by the employees at all level. The Company believes that the competence and commitments of its peoples are the main ingredients in delivering unique customer value and retain and enhance market shares in the related field. To enhance and strengthen these ingredients, it is essential to attract and retain the best talents and bring out the best in people. For achieving this Company has identified the followings as main parameters providing the employees with opportunities of learning and value addition, competitive remuneration and rapid career advancement both qualitatively and quantitatively.

ACKNOWLEDGEMENT

The Board of Directors wishes to place on record its gratitude for the faith reposed in the Company and the co-operation extended by banks, financial institutions, Government authorities, Customers, Shareholders and Employees of the Company and look forward to a continued mutual support and cooperation.

For and on behalf of the Board of Directors

Archit Jhunjunwala

Executive Director

Place : Kolkata

Dated : 06th September 2021

ANNEXURE TO THE DIRECTORS' REPORT

Particulars of Technology absorption and foreign exchange earning and outgo as per section 134(3)(m) of the Companies Act, 2013 and the Rules made therein and forming part of the Directors of the Report for the year ended 31.03.2021.

A. CONSERVATION OF ENERGY

The Company's manufacturing operations are energy intensive. In view of the same the Company has embarked on a special programme to curb any energy losses in the system and the results have shown with improvements in the power factors. These objectives are likely to save energy costs for Company's operations and will help it remain more efficient power saver.

B. TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION

Continuous efforts are being made for Technology Development for improving production process. This has enabled the Company to complete effectively with other competitors in India and abroad on quality and price.

C. RESEARCH AND DEVELOPMENT

- i. The Company manufactured equipment for Power sector and Telecommunication sector.
- ii. Constant efforts have been made to improve quality and production process and the Company have achieved ISO-9001-15 certification.
- iii. There is separate allocation on R & D and Quality Assurance as part of normal Company's activities.

D. FOREIGN EXCHANGE EARNING AND EXPENDITURE

During this period there is foreign exchange inflow and outflow.

(Rs. In lacs)

Foreign Exchange earning	NIL
Foreign Exchange outgo	NIL

For and on behalf of the Board of Directors

Place : Kolkata
Date : 06th September 2021

Archit Jhunjunwala
Executive Director

ERI-TECH LIMITED

CORPORATE GOVERNANCE REPORT FOR THE PERIOD FROM 1ST APRIL'2020 TO 31ST MARCH'2021 ANNEXURE TO THE DIRECTORS' REPORT

1. COMPANY'S PHILOSOPHY

Corporate Governance essentially is a set of standards, which aims to improve the Company's efficiency, effectiveness and social responsibility. The concept emphasizes on transparency, accountability, independence and integrity of the Management, with focus on public interest in particulars. It further inspires and strengthens investors' confidence by ongoing commitment to overall growth of the Company.

The company believes that timely disclosures, transparent accounting policies and a strong and independent board got a long way in protecting shareholders trust while maximizing long term corporate value.

Our philosophy on Corporate Governance begins with our Board of Directors.

A non-executive director chairs the Board.

- The Audit Committee is comprised exclusively of independent directors
- The Board has established terms of reference for its operation and the operation of its Audit Committee in line with Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.
- The Equity Shares of the Company are listing on Calcutta Stock Exchange Limited compliance with the disclosure requirements of Clause 49 of the Listing Agreement, the details are set out as herein.

2. BOARD OF DIRECTORS

COMPOSITION OF THE BOARD

The Board of Directors of the company as on 31st March, 2021 consists of three members.

The Company has Two Executive and one Non-Executive Directors.

BOARD MEETINGS

The meetings of the Board are held at the Company's Registered Office at Kolkata and are scheduled well in advance.

The members of the Board have access to all information of the Company and are free to recommend inclusion of any matter in agenda for discussion. The board meets at least once in a quarter to review the quarterly results and other items on the agenda. Additional meetings are held, whenever necessary.

During the period under review 6(six) Board Meetings were held on 13.07.2020, 11.08.2020, 25.08.2020, 16.11.2020, 24.12.2020 and 20.02.2021.

BOARD'S RESPONSIBILITIES

The Board's mandate is to oversee the Companies strategic directions, review and monitor Corporate Performance, ensure regulatory compliance and safeguard the interests of Shareholders.

ROLE OF INDEPENDENT DIRECTORS

The independent directors play an important role in deliberations at the Board and Committee meetings and bring to the Company their expertise in the fields of finance, management, law and public policy.

INFORMATION PLACED BEFORE THE BOARD OF DIRECTORS

The minimum information to be made available, so far applicable, in terms of Clause 49 of the Listing Agreement is made available to the Board of Directors.

Constitution of Board of Directors as on 31st March, 2021 and related information.

Sl. No.	Name of Director	Category of Directorship	No of Board Meeting Attended	Attendance at last AGM
1	Mrs. Shraddha Jhunjunwala	Executive Director	6	YES
2	Mr. Archit Jhunjunwala	Executive Director	6	YES
3	Mr. Ashok Kumar Kapoor	Director	2	NO

3. AUDIT COMMITTEE

The audit committee of the company meets before the finalization of accounts each year and also meets every quarter before the results of that quarter is published in the news-paper and also meets from time to time, if called by the chairman. The audit committee has met four times in 2020-21.

The Audit Committee has been vested with the following powers

- a) to investigate any activity within its terms of reference.
- b) to seek information from any employee
- c) to obtain outside legal or other professional advice
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary.

1. TERMS OF REFERENCE

The Audit Committee reviews the Internal Reports with the **Statutory Auditors' Report** periodically and discuss their findings. The role of the Audit Committee is as follows :

- a) Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c) Reviewing the management and the annual financial statements before submission to the Board, focusing primarily on :
 - Any changes in accounting policies and practices
 - Major accounting entries based on exercise of judgments by management
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit
 - The going concern assumption
 - Compliance with accounting standards
 - Compliance with stock exchange and legal requirements concerning financial statements.
- d) Reviewing with the management, external and internal auditors, the adequacy of internal control system.
- e) Review the adequacy of internal audit function, 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.
- f) Discussions with internal auditors any significant findings and follow up thereon.

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- g) Reviewing the findings of any internal investigations of the internal auditors into matters where there is suspected fraud and/or irregularity and/or a failure of internal control systems of a material nature and reporting the matter to the Board.
- h) Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- i) Reviewing the Company's financial and risk management policies.
- j) To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividends) and creditors.

2. COMPOSITION

The Audit Committee of the Board comprises of Two Executive Director and Committee met four times during the year and attendance of the members at these meeting were as follows

Sl. No.	Name of Director	Category of Directorship	No of Board Meeting Attended	Attendance at last AGM
1	Mr. Archit Jhunjunwala	Executive Director	4	
2	Mrs. Shraddha Jhunjunwala	Executive Director	4	

The Statutory Auditor of the Company is invited to the Audit Committee Meetings.

3. DETAILS OF REMUNERATION FOR THE YEAR ENDED 31.03.2021

(i) EXECUTIVE DIRECTORS

Name of the Directors	Salary (Gross)	Commission	Perquisite	Retirement Benefit
Mrs. Shraddha Jhunjunwala	Rs.18,16,238/-	-	5,26,000/-	-
Mr. Archit Jhunjunwala	Rs.18,16,238/-	-	5,26,000/-	-

The agreements with executive directors are contractual in nature. The agreement may be determined at any time by either party giving two months notice in writing without any cause. In the event the notice is delivered by the executive director, the Company shall have the option of determined the services of the director forthwith without any further liabilities whatsoever. In the event such notice is delivered by the company, the executive director shall be entitled to be get his full salary as per the agreement for a period of two months as well as commission which he would have earned during the same period. The executive director will also be entitled to the perquisites as per the agreement for the same period.

There are no Stock options available/issued to any directors of the Company and this does not form a part of their contract with the Company.

(ii) NON-EXECUTIVE DIRECTORS

Name of Director	Sitting Fee paid (Rs.)
Mr. Ashok Kumar Kapoor	

4. SHARE TRANSFER COMMITTEE

In accordance with clause 49 Para VI(D) of the Listing Agreement of the Stock Exchange, the Board has unanimously delegated the powers of share transfer to Mr. Gautam Bharati, Company Secretary who is also the

Compliance Officer, and Registrar, in order to expedite the process of share transfer, issue of duplicate certificates and certificates after splits/consideration/renewal De-materialization and re-materialization. This Committee meets at least once in a fortnight to expedite all matters relating to transfers etc.

5. SHAREHOLDER GRIEVANCE COMMITTEE

The Board has formed a Shareholder Grievance Committee consisting of the following Independent Directors :

Mrs. Shraddha Jhunjunwala

Mr. Archit Jhunjunwala

All investor complaints which cannot be settled at the level of the Compliance Officer and the Registrar are forwarded to the Shareholder Grievance Committee for their final settlement.

6. GENERAL BODY MEETING

Location and time where last three Annual General Meeting were held

Financial Year	Date	Time	Venue
2019-2020	24.12.2020	1.30 P.M.	53B, Mirza Ghalib Street, Kolkata – 700 016
2018-2019	26.09.2019	1.30 P.M	-do-
2017-2018	27.09.2018	11.30 A.M	-do-

7. DISCLOSURES

There was no transaction of material nature with the directors of the management or their relatives. The Company has obtained certificates from all concerned in this regard.

There was no instances of non-compliance on any matter related to the capital market, during the last three years.

The Board has obtained certificates / disclosures from key management personnel confirming that they do not have any material financial and commercial interest in transactions with the Company, that may have a potential conflict with the interest of the Company at large. This disclosure has also been made for all relations of the first degree by the management to the Board.

8. MEANS OF COMMUNICATIONS

Management’s discussions and analysis forms part of this annual report, which is also being posted to all the shareholders of the Company.

Official news releases are given directly to the press.

9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting is proposed to be held on 29th September, 2021 at 1.30 P.M. at 53B, Mirza Ghalib Street, Kolkata – 700 016. The Company has furnished information as required by Clause 49(v) of the Listing Agreement of the Stock Exchanges, relating to the appointment of a new director or re-appointment of a director. Shareholders may kindly refer to the Explanatory statement convening the Annual General Meeting of the Company. The names of companies in which the person also holds directorship and the membership of committees of the Board is given separately.

ERI-TECH LIMITED

FINANCIAL CALENDAR

ANNUAL RESULTS OF PREVIOUS YEAR (AUDITED)	:	31 ST MARCH'2020
FIRST QUARTER RESULTS	:	END OF MAY'2020
SECOND QUARTER RESULTS	:	END OF AUGUST '2020
THIRD QUARTER RESULTS	:	END OF NOVEMBER, 2020
FOURTH QUARTER RESULTS	:	END OF JUNE, 2021

DATE OF BOOK CLOSURE

The Share Transfer Books and Register of Members of the Company will remain closed from 23th September, 2021 to 29th September, 2021(both days inclusive).

LISTING OF EQUITY SHARES ON STOCK EXCHANGES ETC

The Company's shares are listed on The Calcutta Stock Exchange Ltd. only.

STOCK MARKET PRICE DATE FOR THE YEAR

ERI-TECH LIMITED Share price at Calcutta Stock Exchange
Calcutta Stock Exchange is not active due to SEBI restriction.

SHARE TRANSFER AGENT

The Company has engaged the Services of **M/s. MCS Share Transfer Agent Limited, 383, Lake Gardens, 1st Floor Kolkata – 700 045** a SEBI registered Registrar as their Share Transfer Agents for processing the transfers, sub-division, consolidation, splitting of securities, etc. Since trades in Company's shares can now be done only in the dematerialized form, request for demat should be sent direct directly to M/s. MCS Share Transfer Agent Limited, Kolkata. Shareholders have the option to open their accounts with either NSDL or CDSL, as the Company has entered into Agreements with both these Depositors.

SHARE TRANSFER SYSTEM

As already stated, the Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Therefore, investors /shareholders are requested to kindly note that physical documents, viz. Demand Request Forms (DRF) and Share Certificates etc. should be sent by their Depository Participants (DP's) directly to the Share Transfer Agents. Any delay on the part of the DP's to send the DRF and the Share Certificates beyond 15 days from the date of generation of the DRN by the DP will be rejected/cancelled. This is being done to ensure that no demat request remain pending with the Share Transfer Agent beyond a period of 30 days. Investors/ Shareholders should, therefore, ensure that their DP's do not delay in sending the DRF and Share Certificates to Share Transfer Agent after generating the DRN

ERI-TECH LIMITED**DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2021**

No. of Equity Shares held	Total Share held	Nos. of Share holder	% of Shares holding	% of Shareholders
1-500	150000	375	1.1161	88.0282
501-1000	1000	1	0.0074	0.2347
1001-2000	2000	1	0.0149	0.2347
2001-3000	5500	2	0.0409	0.4695
3001-4000	5000	1	0.0372	0.2347
4001-5000	10000	1	0.0744	0.2347
5001-10000	11000	1	0.0818	0.2347
10001-50000	118000	4	0.8780	0.9390
50001-100000	214500	3	1.5960	0.7042
100001 & above	12923000	37	96.1533	8.6854
Total	13440000	426	100.00	100.00

PATTERN OF SHAREHOLDING AS ON 31ST MARCH, 2021

Category	No of Holders	No of Shares	%
Promoters / Friends & Associates	14	6484000	48.2440
Mutual Funds & UTI	–	–	–
Bank, Financial Institution / Insurance Company	–	–	–
FIIS	–	–	–
Bodies Corporate	–	–	–
NRI / OBCs	–	–	–
Public	412	6956000	51.7560
Total	426	13440000	100.0000

DEMATERIALIZATION OF SHARES

As on March, 31st, 2021 of the Company's total shares representing 13290000 shares are held in dematerialized form and the balance 1,50,000 shares are in physical form.

ERI-TECH LIMITED

FACTORY LOCATIONS

The Company's factories are located at the following places : **53, Kumar Para Lane, Liluah, Howrah.**

ADDRESS OF CORRESPONDENCE

ERI-TECH LIMITED

3rd floor, 53B, Mirza Ghalib Street, Kolkata – 700016

Telephone # 2217-2567, 3090-1819

Fax : 2217-2734

E-mail : sales@eritech.co.in

Contact Person : Mr Gautam Bharati

Designation : Company Secretary

MCS SHARE TRANFER AGENT LIMITED

383, Lake Gardens, 1st Floor Kolkata – 700 045

Telephone # 4072-4051 to 53

Fax : 4072-4050

E-mail : mcsta@rediffmail.com

Contact Person : Mr. Partha Mukherjee

Designation : Manager

INVESTORS' COMPLAIN

No investors' complain pending at the beginning of the year and no investors' complain received during the year 2020-21.

Note : The Company endeavors to settle all shareholder complaints in the minimum possible time. The average rate of settlement may vary from 7 days to 15 days. However, disputed matters/cases are kept pending till these cases are mutually settled by the shareholders or are finally disposed off by the Courts.

CODE OF CONDUCT**Declaration**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2021.

Place : Kolkata
Dated : 06th September 2021

Archit Jhunjunwala
Executive Director

CEO CERTIFICATE

The Board of Directors
Eri-Tech Limited
53B, Mirza Ghalib Street
Kolkata – 700 016.

I certify that

1. We have reviewed the financial statement, read with the cash flow statement of the company for the year ended 31st March, 2021 and to the best of my knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with the accounting standards and applicable law and regulations.
2. There are, to the best of my knowledge and belief, no material transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct;
3. I am responsible for establishing and maintaining internal controls for financial reporting and I have valued the effectiveness of the internal control systems of the Company ;
4. I have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal control, if any, of which I am aware and the steps that have been taken or are proposed to be taken to rectify the deficiency;
5. I have indicated to the Auditor and the Audit Committee
 - a. significant changes in the Company's internal control over financial reporting during the year
 - b. significant changes in accounting policies during the year, if any, and that the same have been disclosed in the note to the financial statements.
 - c. instance of significant of fraud of which we have become aware and involvement therein if any of the management or other employees which could have a significant role in the Company's internal control system over financial reporting.

Place : Kolkata
Dated : 06th September 2021

Archit Jhunjunwala
Executive Director

ERI-TECH LIMITED

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

FORM NO. MR-3

[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,
ERI-TECH LIMITED
CIN : L28999WB1957PLC023503
53B MIRZA GHALIB STREET 3RD FLOOR
KOLKATA - 700016

We have conducted the **Secretarial Audit** of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ERI-TECH LIMITED (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 my verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, and authorized representatives during the conduct of **Secretarial Audit**, I hereby report that in our opinion the Company has, during the audit period covering the financial year ended **31st March, 2021** 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 **31st March, 2021** according to the provisions of following Acts as amended from time to time along with the rules and regulations made thereunder:

- I. The Companies Act, 2013(the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :-
 - 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 (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- j. The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We have also examined the compliance of the applicable clauses by the company of the following statutory provisions/standards/regulations:

- a. The uniform Listing Agreements entered into by the Company, with **BSE Limited** ;
- b. The Secretarial Standards (SS - 1 and SS – 2) issued by the Institute of Company Secretaries of India.

We further report that:

The Board of Directors of the Company **is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director**. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance by the company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors and other designated professionals.

Adequate Notice is given to all Directors to schedule the Board/Committee Meetings. Information and circulation of the agenda with detailed information thereof, convening of meetings was done in compliance with the applicable laws, rules, regulations and guidelines, etc. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

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 as also represented by the management.

Place : Kolkata
Date : 17th September, 2021

PRITI LAKHOTIA
Practicing Company Secretary
Membership No: F10843
C.P. No.: 12790
UDIN: F010843C000965051

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ERI-TECH LIMITED.

I. REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

1. Opinion

- A. We have audited the accompanying Standalone Financial Statements of ERI-TECH LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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 ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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 March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date

2. Basis for Opinion

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

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

4. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

- A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's

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

- B. 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 standalone 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.

5. Management’s Responsibility for the Standalone Financial Statements

- A. The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- B. In preparing the Standalone 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 responsible for overseeing the Company’s financial reporting process.

6. Auditor’s Responsibilities for the Audit of the Standalone Financial Statements

- A. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Standalone Financial Statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls

ERI-TECH LIMITED

- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
 - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
 - v) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation
- C. Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in
- i) planning the scope of our audit work and in evaluating the results of our work; and
 - ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.
- D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- E. 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.
- F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our 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

II. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:

- A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- C. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account

ERI-TECH LIMITED

- D. In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- F. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- 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.
- 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements
 - 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place : Kolkata
Date : 06th September 2021

For **B. R. KHAITAN & CO**
Chartered Accountants

P. KHAITAN
Proprietor
Membership no. 060367
Regn. No: 305012E
UDIN : 21060367AAAAAP1709

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ERI-TECH LIMITED

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of ERI-TECH LIMITED for the year ended 31st March, 2021.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) These fixed assets have been physically verified by the management at reasonable intervals there was no Material discrepancies were noticed on such verification.
 - (c) Total Assets of company includes Immovable property also and the title deeds of immovable properties are held in the name of the company.
2. Physical verification of inventory has been conducted at reasonable intervals by the management and there is no material discrepancies were noticed
3. The company has not granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) All terms and conditions are as per the benefits of company and are not prejudicial to the company's Interest.
 - (b) Schedule of repayment of principal and interest has been stipulated and receipts are regular.
 - (c) There is no such amount which is overdue more than 90 Days of above mentioned loan.
4. In respect of loans, investments, guarantees, and security all mandatory provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The company has not accepted any deposits.
6. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7. (a) The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, goods & service tax and any other statutory dues to the appropriate authorities.
 - (b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have been deposited on time there is no dispute is pending on the part of company.
8. The company hasn't made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. The company doesn't raise any money by way of initial public offer or further public offer (including debt instruments)
10. Neither company has done any fraud nor by its officers or employees so nothing to be disclosed separately.
11. Managerial remuneration has been paid or provided in accordance with the requisite approvals Mandated by the provisions of section 197 read with Schedule V to the Companies Act.

ERI-TECH LIMITED

- 12. Company is not a Nidhi Company hence nothing to be disclosed for any provisions applicable on Nidhi Company.
- 13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards;
- 14. The company hasn't made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15. The company hasn't entered into any non-cash transactions with directors or persons connected with him.
- 16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Kolkata
Date : 06th September 2021

For **B. R. KHAITAN & CO**
Chartered Accountants
P. KHAITAN
Proprietor
Membership no. 060367
Regn. No: 305012E
UDIN : 21060367AAAAAP1709

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **ERI-TECH LIMITED**. ("The Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 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.

Place : Kolkata
Date : 06th September 2021

For **B. R. KHAITAN & CO**
Chartered Accountants

P. KHAITAN
Proprietor
Membership no. 060367
Regn. No: 305012E
UDIN : 21060367AAAAAP1709

ERI-TECH LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Notes	For the year ended 31st March, 2021	For the year ended 31st March, 2020 Rs.	For the year ended 31st March, 2019 Rs. Rs.
ASSETS				
Non Current Assets				
Property, Plant & Equipment	3	22,860,797	23,546,382	17,558,196
Financial Assets				
(i) Investments	4	1,003,439,196	665,856,513	307,472,262
(ii) Others	5	14,265,070	16,163,994	17,336,412
Total Non Current Assets	Total	1,040,565,063	705,566,890	342,366,871
Current Assets				
Inventories	6	34,251,669	64,747,601	54,326,566
Financial Assets				
(i) Trade receivables	7	341,854,674	141,724,467	317,869,748
(ii) Cash and cash equivalents	8	287,920	680,386	14,048,799
Current Tax Assets (Net)	9	12,044,761	-219,500	272,736
Other Current Assets	10	17,256,654	25,775,883	18,768,599
Total Current Assets		405,695,677	232,708,837	405,286,448
TOTAL		1,446,260,740	938,275,727	747,653,319
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	11	134,400,000	134,400,000	134,400,000
Other Equity		1,024,796,551	557,178,213	441,421,117
Total Equity		1,159,196,551	691,578,213	575,821,117
Non Current Liabilities				
Deferred Tax Liability (Net)	12	806,280	467,136	450,918
Total Non Current Liabilities		806,280	467,136	450,918
Current Liabilities				
Financial Liabilities				
(i) Borrowings	13	74,263	43,061,233	4,845,511
(ii) Trade payables	14	267,983,646	192,923,998	150,188,486
(iii) Other Financial Liabilities	15	1,176,205	1,496,235	2,050,524
Other Current Liabilities	16	14,745,558	3,536,666	12,181,683
Provisions	17	2,278,238	5,212,247	2,115,080
Total Current Liabilities		286,257,909	246,230,378	171,381,283
TOTAL		1,446,260,740	938,275,727	747,653,319
Significant Accounting policies	2			

The accompanying notes are an integral part of the financial statements
In terms of our Report of even date attached herewith.

For B. R. Khaitan & Co.
Chartered Accountants
P. Khaitan
Proprietor

Place : Kolkata
Date : 06th September, 2021

Membership no : 060367
Firm Regn. No. 305012E

UDIN : 21060367AAAAAP1709

On behalf of the Board of Directors

Shraddha Jhunjhunwala
Executive Director

Archit Jhunjhunwala
Executive Director

Gautam Bharati
Company Secretary

ERI-TECH LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Notes	For the Year ended 31.03.2021 Rs.	For the Year ended 31.03.2020 Rs.
INCOME			
Revenue from operations	18	639,557,580	1,428,928,223
Other income	19	5,572,945	3,402,495
Total revenue		<u>645,130,525</u>	<u>1,432,330,718</u>
EXPENSES			
(a) Cost of Material Consumed	20	390,582,038	934,737,061
(b) Changes in inventories of manufacturing goods	21	20,083,905	(966,807)
(c) Employee benefits expenses	22	12,679,129	17,099,675
(d) Finance costs	23	1,022,260	1,727,993
(e) Depreciation and amortisation expense	3	2,910,814	2,836,543
(f) Other expenses	24	54,998,031	92,857,011
Total expenses		<u>482,276,177</u>	<u>1,048,291,475</u>
Profit / (Loss) before Tax		<u>162,854,349</u>	<u>384,039,243</u>
Less: Tax expense			
(a) Current tax expense for current year		40,990,440	96,317,042
(b) Current tax expense for earlier year - Income Tax Provision written back		393,120	-
(c) Tax expense for previous year			11,292,435
(d) Deferred tax		339,144	16,218
Net Profit /(Loss) from ordinary activities after tax		<u>121,131,645</u>	<u>276,413,548</u>
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
(i) Investments through OCI		346,486,693	(160,656,453)
(ii) Income Tax relating to items that will not be reclassified to profit or loss			
Items that will be reclassified to profit or loss			
Total Other Comprehensive Income		<u>346,486,693</u>	<u>-160,656,453</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>467,618,338</u>	<u>115,757,095</u>
Basic Earnings per Equity share	27	9.04	21.41
Diluted Earnings per Equity share		9.04	21.41

(Nominal value Rs.10/- each, fully paid up)

In terms of our Report of even date attached herewith.

For B. R. Khaitan & Co.
Chartered Accountants
P. Khaitan
Proprietor

On behalf of the Board of Directors

Place : Kolkata
Date : 06th September, 2021
Membership no : 060367
Firm Regn. No. 305012E

Shraddha Jhunjhunwala
Executive Director

Archit Jhunjhunwala
Executive Director

Gautam Bharati
Company Secretary

UDIN : 21060367AAAAAP1709

ERI-TECH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2021

Particulars	For the year ended 31 March, 2021		For the year ended 31 March, 2020	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
A. Cash flow from operating activities				
Net Profit / (Loss) before exceptional items and tax		162,854,349		384,039,243
Adjustments for:				
Depreciation and amortisation	2,910,814		2,836,542	
Finance costs	1,022,260		1,727,993	
Interest received	(464,669)		(487,170)	
Profit on sale of Fixed Asset	(253,843)		-	
Profit on sale of Mutual Funds	(4,854,433)		(2,915,325)	
		<u>(1,639,871)</u>		<u>1,162,040</u>
Operating profit / (loss) before working capital changes		161,214,478		385,201,283
Changes in working capital:				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	30,495,932		(10,421,035)	
Trade receivables	(200,130,207)		176,145,281	
Current Tax Assets (Net)	(12,264,261)		492,236	
Other Current Assets	8,519,230		(7,007,284)	
Other Non - Current Financial Assets	1,898,924		1,172,418	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	75,059,648		42,735,512	
Short term borrowings	(42,986,970)		38,215,722	
Other Financial Liabilities	(320,030)		(554,289)	
Other Current Liabilities	11,208,893		(8,645,017)	
Short-term provisions	(2,934,009)	<u>(131,452,851)</u>	3,097,167	<u>235,230,710</u>
Cash generated from operations		29,761,627		620,431,993
Net income tax (paid) / refunds		(40,990,440)		(96,317,042)
Net income tax (paid) / refunds for PY		(393,120)		(11,292,435)
Net cash flow from / (used in) operating activities (A)		<u>(11,621,933)</u>		<u>512,822,516</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2021

Particulars	For the year ended 31 March, 2021		For the year ended 31 March, 2020	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
B. Cash flow from investing activities				
Capital expenditure on fixed assets				
On Plant & Machinery	(2,160,000)		(8,387,260)	
On Building on factories	-		-	
On Electric installation & motor	-		-	
On Furniture & Fixtures	(62,500)		-	
On Office Equipment	(83,898)		-	
On Computer	-		(49,425)	
On Air Condition and Refrigerator	-		-	
On Motor car	-		(388,042)	
On Weighing Machine	-	(2,306,398)	-	(8,824,727)
Purchase of Investment	(283,094,612)		(516,125,380)	
Sale of Investment	291,998,623			
Financial Assets Deposits				
Sale of Plant & Machinery	81,168		-	
	-	8,985,179	-	-516,125,380
Income from Interest and Dividend		464,669		487,170
Profit on sale of Fixed Asset		253,843		
Profit on sale of Mutual Funds		4,854,433		
Net cash flow from / (used in) investing activities (B)		<u>12,251,726</u>		<u>(524,462,937)</u>
C. Cash flow from financing activities				
Finance cost	(1,022,260)	(1,022,260)	(1,727,993)	(1,727,993)
Net cash flow from / (used in) financing activities (C)		<u>(1,022,260)</u>		<u>(1,727,993)</u>
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		<u>(392,467)</u>		<u>(13,368,413)</u>
Cash and cash equivalents at the beginning of the year (Note 8)		<u>680,386</u>		<u>14,048,799</u>
Cash and cash equivalents at the end of the year (Note 8)		<u>287,920</u>		<u>680,386</u>

Notes :

- (i) The above cash flow statement has been prepared under the Indirect Method as set out in the Indian Accounting Standards (Ind AS-7) "Cash Flow Statement".
- (ii) Cash and cash Equivalent (Refer Note- 8 of the Financial Statements)
- (iii) Previous year's figures have been regrouped /rearranged ,wherever considered necessary .This is the Cash Flow Statement referred to in our Auditor's Report of even date .In terms of our Report of even date attached herewith.

In terms of our Report of even date attached herewith.

For B. R. Khaitan & Co.
Chartered Accountants
P. Khaitan
Proprietor

On behalf of the Board of Directors

Place : Kolkata

Date : 25th August, 2021
Membership no : 060367
Firm Regn. No. 305012E

Shraddha Jhunjunwala
Executive Director

Archit Jhunjunwala
Executive Director

Gautam Bharati
Company Secretary

UDIN : 21060367AAAAAP1709

ERI-TECH LIMITED

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

A EQUITY SHARE CAPITAL

Balance as at March 31, 2020	Changes in Equity Share Capital during the year	Balance as at March 31, 2021
134,400,000	-	134,400,000

B OTHER EQUITY

Particulars	Reserves & Surplus					Total
	Securities Premium Account	General Reserve	Capital Reserve Account	Retained Earnings	Investment Reserve	
Balance as at April 01, 2020	66,915,000	55,940,213	-	579,886,648	-145,563,648	557,178,213
Changes in Accounting Policies / Prior Period Errors	-	-	-	-	-	-
Restated Balance at the beginning of the reporting period	66,915,000	55,940,213	-	579,886,648	-145,563,648	557,178,213
Total Comprehensive Income for the Year	-	-	-	121,131,645	346,486,693	467,618,338
Transfer to Retained Earnings	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-
DDT paid on Dividend	-	-	-	-	-	-
Balance as at March 31st, 2021	66,915,000	55,940,213	-	701,018,293	200,923,045	1,024,796,551

B OTHER EQUITY

Particulars	Reserves & Surplus					Total
	Securities Premium Account	General Reserve	Capital Reserve Account	Retained Earnings	Investment Reserve	
Balance as at March 31, 2019	66,915,000	55,940,213	-	303,473,100	15,092,804	441,421,117
Changes in Accounting Policies / Prior Period Errors	-	-	-	-	-	-
Restated Balance at the beginning of the reporting period	66,915,000	55,940,213	-	303,473,100	15,092,804	441,421,117
Total Comprehensive Income for the Year	-	-	-	276,413,548	-160,656,453	115,757,095
Transfer to Retained Earnings	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-
DDT paid on Dividend	-	-	-	-	-	-
Balance as at March 31, 2020	66,915,000	55,940,213	-	579,886,648	-145,563,648	557,178,213

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

1 COMPANY OVERVIEW

ERI-TECH Limited (referred to as "the Company" hereinafter) was incorporated under the laws of the Republic of India with its registered office at 53B, Mirza Ghalib Street, Kolkata – 700016 having manufacturing of Non ferrous castings & fabrication, Iron & Steel fabrication & Forging etc. for Transmission line Insulator hardware Fittings and Conductor Accessories. The supply of material is to Government and Semi Government Departments and various electrification projects by the Departments.

1.1 Basis of preparation

a) Statement of Compliance

These financial statements have been prepared to comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under Section 133 of the Companies Act, 2013 and other provisions of the Companies Act, 2013 to the extent applicable.

b) Functional and presentation currency

The financial statements are presented in Indian Rupees ('Rs') which is Company's presentation currency. The functional currency of the Company is also Indian Rupees ('Rs').

c) Basis of measurement

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items: (i) Certain financial assets and financial liabilities measured at fair value; (ii) Employee's defined benefit plan as per actuarial valuation. Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

d) Use of judgments and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Critical accounting judgements and key sources of estimation uncertainty: Key assumptions-

(i) Useful lives of Property, plant and equipment:

The Company reviews the estimated useful lives and residual values of Property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

(ii) Allowances for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

(iii) Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items.

(iv) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

(v) Defined benefit plans:

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

(vi) Recognition and measurement of provisions and contingencies:

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies, if any, in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for.

e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

f) **Standard issued but not yet effective**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018: Ind AS 115 Revenue from Contracts with Customers Ind AS 21 The effect of changes in Foreign Exchange rates Ind AS 115 – Revenue from Contracts with Customers Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition: Step 1: Identify the contract(s) with a customer Step 2: Identify the performance obligation in contract Step 3: Determine the transaction price Step 4: Allocate the transaction price to the performance obligations in the contract Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The company is currently evaluating the effect of this standard. **Ind AS 21 – The effect of changes in Foreign Exchange rates** The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements

(i) **Revenue from contracts with customers- Ind AS 115**

Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The effective date of Ind AS 115 is yet to be announced.

(ii) **Amendments to Ind AS 7**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, "Statement of Cash flows". These amendments are in accordance with the recent amendments made by International Accounting Standard Board (IASB) to IAS 7, "Statement of Cash flows". The amendments are applicable to the Company from 1st April, 2017.

The amendments to Ind AS 7 requires the entities to provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non – cash changes, suggesting inclusion of a

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

1.2 Significant accounting policies

a) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

b) Financial instruments

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

i. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables are initially measured at transaction price. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

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

- Amortised cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL) Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The effective interest rate (EIR) amortisation is included in finance income in the profit or loss.

Financial assets at FVTOCI

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

Investment in Joint Venture

The Company has no investments in joint venture.

Other equity investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

ii. **Financial liability**

Initial recognition and measurement

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are intially measured at fair value.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in following categories:• Financial liabilities through profit or loss (FVTPL)• Financial liabilities at amortised cost

Financial liabilities through FVTPL

A financial liability is classified as at FVTPL if it is classified as held for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

Derecognition

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

The fixed asset of the company has been categorised segregated in depreciable assets, non-depreciable assets and revalued assets.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

iii. Depreciation and amortisation

Depreciation and amortisation for the year is recognised in the Statement of Profit and Loss. Depreciation on fixed assets are provided on written down value method over the useful lives of assets, at the rates and in the manner specified in Part C of Schedule II of the Act. The rates of depreciation as prescribed in Part C of Schedule II of the Act are considered as the minimum rates. Freehold land is not depreciated. Leasehold land (includes development cost) is amortised on a straight line basis over the period of respective lease. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

d) Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories comprises material cost on FIFO basis, labour and manufacturing overheads incurred in bringing the inventories to their present location and condition. The cost of Work-In-Progress and finished goods includes the cost of labour, material and a proportion of manufacturing overheads.

e) Impairment

i. Impairment of financial instruments: financial assets

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category. For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall. The impairment losses and reversals are recognised in Statement of Profit and Loss.

ii. Impairment of non-financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

f) Foreign Currency Transactions

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such assets.



NOTES TO THE FINANCIAL STATEMENTS (Contd..)

g) Government grants

- (i) There are no Government Grant during the year

h) Employee Benefits

Post-Employment Benefits

- (i) **Defined Benefit Plans** For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income. The Company has an Employee Gratuity Fund managed by the Life Insurance Corporation of India. Liability with regards to long term employee benefits is provided for on the basis of actuarial valuation at the Balance sheet date.
- (ii) **Defined Contribution Plans** Retirement benefit in the form of contribution to Provident Fund is a defined contribution scheme and is charged to profit & loss account in the year when they become due.
- (iii) **Short Term Employee Benefits** Short - term compensated absences are provided for on the basis of estimates.

i) Accounting of provisions, contingent Liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

j) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Domestic sales are recognised at the time of dispatch of materials to the buyer. Export sales are recognised on the issue of bill of lading. Export Incentives arising out of Export Sales are accounted for on accrual basis. Purchases are inclusive of freight and net of Input Tax Credit, Trade Discount and Claims.

k) Recognition of dividend income, commission income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established. Income from commission is recognised based on agreements/arrangements with the customers as the service is performed using the proportionate completion method, when no

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service. Interest income or expense is recognised using the effective interest method.

l) Leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss. Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet. Payments made under operating leases are recognized in the Statement of Profit or Loss on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with general inflation.

m) Income tax

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognized in the statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

n) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

o) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

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

p) Segment Reporting

The Company has identified Non ferrous castings & fabrication, Iron & Steel fabrication & Forging etc. for Transmission line Insulator hardware Fittings and Conductor Accessories as the sole business segment and the same has been treated as primary business segment. The Company sells mostly within India and does not have operations in economic environments with different risks and returns, it is considered operating in single geographical segment. Hence, no further disclosure as required under the Indian Accounting Standard - 108 " Operating Segments " as issued by the 'The Institute of Chartered Accountants of India'.

q) Expenditure on new projects & substantial expansion

There is no new project and substantial expansion however if any than the Preliminary project expenditure, capital expenditure, indirect expenditure incidental and related to construction/ implementation, interest on term loans to finance fixed assets and expenditure on start-up of the project shall be capitalised upto the date of commissioning of project to the cost of the respective assets.

NOTES TO THE FINANCIAL STATEMENTS (Contd..)
NOTE : 3. [PROPERTY, PLANT & EQUIPMENT]

Tangible assets	Gross block			Accumulated depreciation and impairment				Net Block	
	Balance as at 1 April, 2020	Additions	Disposal	Balance as at 31 March, 2021	Balance as at 1 April, 2020	Depreciation/ amortisation expense for the year	Adjustment on Disposal	Balance as at 31 March, 2021	Balance as at 31 March, 2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Owned Assets :									
Freehold Land	5,376,660			5,376,660				5,376,660	5,376,660
Building on Factories	33,485,227			33,485,227	30,662,798	268,131		30,930,929	2,822,429
Plant & Machinerries	53,772,587			53,772,587	41,422,655	2,235,338		43,657,992	12,349,932
Plant & Machinerries (R&D)	1,766,772			1,766,772	1,657,494	19,779		1,677,273	89,499
Electric Installation & Motor	7,473,001	2,160,000		9,633,001	7,414,326	100,990		7,515,316	58,675
Furniture & Fixture	1,286,489	62,500		1,348,989	1,115,379	55,074		1,170,453	171,111
Office Equipment	2,529,198	83,898		2,613,096	2,447,327	63,627		2,510,954	81,871
Computer	1,843,025			1,843,025	1,803,236	25,131		1,828,367	39,789
Weighing Machine	1,094,664			1,094,664	1,064,833	5,399		1,070,232	29,831
Air Conditioner & Refrigerator	1,360,215			1,360,215	1,343,440	7,561		1,351,000	16,775
Motor Car	5,716,432		1,030,214	4,686,218	5,281,128	129,786	949,046	4,461,868	435,304
Non Depreciable Asset	41,096,720			41,096,720	39,041,994			39,041,994	2,054,727
Total	156,800,990	2,306,398	1,030,214	158,077,174	133,254,610	2,910,814	949,046	22,860,797	23,546,382
Previous year Total	211,721,239	8,824,727	-	220,545,966	194,163,043	2,836,542	-	196,999,586	17,558,196

ERI-TECH LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Contd..)****4 INVESTMENTS**

		As at 31 March, 2021 Rs.	As at 31 March, 2020 Rs.
Quoted			
In Equity Shares of Face Value Rs. 10/- each			
Uco Bank	(700 shares)	15,120	15,120
In units of Mutual Funds		957,296,473	644,713,790
		<u>957,311,593</u>	<u>644,728,910</u>
Unquoted			
In Equity Shares of Face Value Rs. 10/- each	(4612538 nos.)	46,125,380	21,125,380
In Debentures			
2% Perpetual debenture of Rs. 500/- each	(10 nos.)	2,223	2,223
		<u>46,127,603</u>	<u>21,127,603</u>
TOTAL		<u>1,003,439,196</u>	<u>665,856,513</u>

5 OTHER NON-CURRENT FINANCIAL ASSETS

Security deposits		6,124,474	8,453,458
In Fixed Deposit maturing after 12 months since the Balance Sheet date		8,140,596	7,710,536
TOTAL		<u>14,265,070</u>	<u>16,163,994</u>

6 INVENTORIES (At lower of cost and net realisable value)

(i) Raw materials		22,232,382	32,644,409
(ii) Work in Progress & Finished products		12,005,390	32,089,295
(iii) Trading goods at HP		13,897	13,897
TOTAL		<u>34,251,669</u>	<u>64,747,601</u>

7 TRADE RECEIVABLES

Unsecured, considered good			
Debtors outstanding for more than 6 months		119,236,094	103,959,186
Other Trade receivables		222,618,580	37,765,281
TOTAL		<u>341,854,674</u>	<u>141,724,467</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	As at 31 March, 2021 Rs.	As at 31 March, 2020 Rs.
8 CASH AND CASH EQUIVALENT		
Cash in hand	106,513	147,734
Balances with banks In Current Accounts	181,407	532,653
TOTAL	<u>287,920</u>	<u>680,386</u>
9 CURRENT TAX ASSETS (NET)		
Advance & Self Asst. Tax	52,681,260	95,969,198
TCS Receivable	318,427	
Tax deducted at Source	35,514	128,344
Less: Income Tax Provisions	(40,990,440)	(96,317,042)
TOTAL	<u>12,044,761</u>	<u>(219,500)</u>
10 OTHER CURRENT ASSETS (Unsecured considered good)		
Prepaid expenses	191,360	382,720
Balances with government authorities - unsecured,considered good		
GST / VAT Credit receivable	-	1,311,441
Advance to suppliers	2,272,843	5,902,071
Advance to Others	14,792,451	18,179,651
TOTAL	<u>17,256,654</u>	<u>25,775,883</u>

ERI-TECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

11 SHARE CAPITAL

	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
Authorised				
Equity shares of Rs. 10/- each with voting rights	15,000,000	150,000,000	15,000,000	150,000,000
Issued, Subscribed & Fully Paid up				
Equity shares of Rs. 10/- each with voting rights	13,440,000	134,400,000	13,440,000	134,400,000
(i) Reconciliation of Shares outstanding at the beginning and at the end of the reporting period				
Equity shares with voting rights				
At the beginning of the year	13,440,000	134,400,000	13,440,000	134,400,000
Bonus Issue	-	-	-	-
Balance at the end of the year	13,440,000	134,400,000	13,440,000	134,400,000
(ii) Details of Shareholder holding more than 5% share in the Company				

Name of Shareholders	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	Percentage of Holding	Number of shares	Percentage Holding
			As at 31 March, 2021 Rs.	As at 31 March, 2020 Rs.

12 DEFERRED TAX LIABILITY (NET)

Deferred tax Liability on account of :

Depreciation

1,647,242

1,430,491

Provision for Employee benefit

(840,962)

(963,355)

TOTAL

806,280

467,136

13 SHORT TERM BORROWINGS

Loans repayable on demand

Secured

In Cash Credit Account

74,263

43,061,233

TOTAL

74,263

43,061,233

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	As at 31 March, 2021 Rs.	As at 31 March, 2020 Rs.
14 TRADE PAYABLES		
Trade payables	267,983,646	192,923,998
TOTAL	267,983,646	192,923,998
15 OTHER FINANCIAL LIABILITIES		
Other Payables	1,176,205	1,496,235
TOTAL	1,176,205	1,496,235
16 OTHER CURRENT LIABILITIES		
Statutory dues (including TDS.)	14,568,531	1,858,565
Customer's credit balances	177,027	1,678,101
TOTAL	14,745,558.35	3,536,666
17 SHORT TERM PROVISIONS		
Donation payable for CSR PM Cares.	-	2,446,000
Provision for Gratuity	2,278,238	2,766,247
TOTAL	2,278,238	5,212,247
18 REVENUE FROM OPERATION		
Sale of products (Refer Note below)	639,557,580	1,428,928,223
TOTAL	639,557,580	1,428,928,223
(i) Manufactured Goods		
Accessories of power & telcom sector.	639,557,580	1,428,928,223
(ii) Traded Goods		
Accessories in helicals, rubber, extrusion etc.	-	-
TOTAL	639,557,580	1,428,928,223
19 OTHER INCOME		
Interest Received on FDR	464,669	487,170
Profit on sale of Mutal Fund	4,854,433	2,915,325
Profit on sale of Fixed Assets	253,843	-
TOTAL	5,572,945	3,402,495

ERI-TECH LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Contd..)**

	As at 31 March, 2021 Rs.	As at 31 March, 2020 Rs.
20 COST OF MATERIAL CONSUMED		
Opening Stock	32,644,409	23,190,181
Add: Purchases	380,170,011	944,191,289
Less: Closing Stock	22,232,382	32,644,409
TOTAL	<u>390,582,038</u>	<u>934,737,061</u>
Material Consumed Comprises		
Raw material - Raw material	331,349,078	735,884,012
Raw material - Components	53,716,583	186,367,456
Raw material - Packing Materials	4,747,588	8,570,700
Raw material - Stores and Spares	768,789	3,914,893
TOTAL	<u>390,582,038</u>	<u>934,737,061</u>
21 CHANGES IN INVENTORY OF TRADING GOODS		
Inventories at the end of the year:		
Finish Product	12,005,390	32,089,295
Trading Stock at HP	13,897	13,897
	<u>12,019,287</u>	<u>32,103,192</u>
Inventories at the beginning of the year:		
Finish Product	32,089,295	31,122,488
Trading Stock at HP	13,897	13,897
	<u>32,103,192</u>	<u>31,136,385</u>
NET INCREASE / (DECREASE)	<u>(20,083,905)</u>	<u>966,807</u>
22 EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	6,567,631	9,105,259
Contributions to provident and other funds	505,134	686,310
Staff welfare expenses	197,394	205,226
Retirement Benefit	600,343	1,163,570
Research & Development expense	4,808,627	5,939,311
TOTAL	<u>12,679,129</u>	<u>17,099,675</u>
23 FINANCE COST		
(a) Interest expense on:		
(i) Borrowings	1,022,260	1,727,993
(ii) Others	-	-
TOTAL	<u>1,022,260</u>	<u>1,727,993</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	As at 31 March, 2021 Rs.	As at 31 March, 2020 Rs.
24 OTHER EXPENSES		
Arbitration Expenses	1,995,627	2,537,663
Audit Fees	100,000	100,000
Bank Charges & Others	1,214,726	1,341,026
Donation	4,800,000	2,521,000
Freight & Forwarding	8,933,406	28,401,243
Insurance	279,120	296,046
Labour Charges inside	3,011,076	10,519,205
Labour Charges Outside	215,379	4,615,599
Legal & Professional	1,560,184	2,357,740
Membership, Subscription	214,665	217,520
Miscellaneous expenses	1,141,001	1,751,515
Postage & Telegram	3,518	33,006
Project Expenses	573,372	1,217,833
Power and Fuel	5,847,212	5,749,061
Printing & Stationary	117,143	725,906
Rent	9,004,300	5,730,284
Rates & Taxes	42,790	141,109
Remuneration of Directors	1,816,238	2,077,176
Repairs & Maintenance	899,746	9,771,848
Royalty Fee	-	2,196,818
Sales promotion	8,899	1,532,605
Security Expenses	774,088	777,195
Sales Tax & Entry tax Paid	925,539	-
Loss on Mutual Fund	8,001,889	-
Excise duty paid	210,193	212,286
Sundry Balance w/off	365,645	763,665
Duties & Tax Written Off	-	1,449,293
Round off	(49)	-
Service Tax paid	-	70,516
Telephone expenses	337,248	406,542
Travelling & Conveyances	589,473	2,524,308
Vehicle Expenses	2,015,602	2,819,003
TOTAL	<u>54,998,031</u>	<u>92,857,011</u>

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ERI-TECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

NOTE 25 : ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

Particulars	As at 31st March, 2021 Rs in lacs	As at 31st March, 2020 Rs in lacs
Contingent liabilities and commitments (to the extent not provided for)		
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt (give details) Sales Tax and Income tax	-	
(b) Guarantees	383.75	381.44
Expenditure in foreign currency		
Know-how		-
Membership Fees	-	
Other matters (Testing Fees, Share aquired & Travelling)	-	163.44
Details of consumption of imported and indigenous items		
Indigenous	For the year ended 31st March, 2021	
	Rs in lacs	%
Raw materials	3,313.49	84.83
	(7,358.84)	(78.73)
Components	537.17	13.75
	(1,863.67)	(19.94)
Spare parts	55.16	1.41
	(124.86)	(1.34)
Total	3,905.82	-
	(9,347.37)	-

Note: Figures / percentages in brackets relates to the previous year

	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	Rs.	Rs.
Earnings in foreign exchange	-	-
Other income, indicating the nature thereof(Testing Charges).	-	-

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying

employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Company recognised Rs. 4,42,639/- (Year ended 31 March, 2020 Rs. 540221/-)

The Company offers the following employee benefit schemes to its employees:

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

- i. Gratuity
- ii. Other defined benefit plans (specify nature)

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
	Gratuity	Gratuity
Components of employer expense		
Current service cost	115,565	651,167
Total expense recognised in the Statement of Profit and Loss	115,565	651,167
Actual contribution and benefit payments for year	-	
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation		
Unrecognised past service costs	2,278,238	2,766,247
Net asset / (liability) recognised in the Balance Sheet	(2,278,238)	(2,766,247)
Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	Rs.	Rs.
Details of research and development expenditure recognised as an expense		
Employee benefits expense	4,808,627	5,939,311
Testing Fees	-	-
Consumables	-	-
Travelling expenses	-	-
Others	-	-
TOTAL	4,808,627	5,939,311

ERI-TECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

NOTE 26 : DISCLOSURES UNDER ACCOUNTING STANDARDS (CONTD.)

Note Particulars

31 Related party transactions

31.a Details of related parties:

Description of relationship	Names of related parties	Amount Paid in RS.
Key Management Personnel (KMP)	Mr. Archit Jhunjhunwala	2,342,238
	Mrs. Shraddha Jhunjhunwala	2,342,238
Relatives of KMP	Mr. Biswanath Jhunjhunwala	820,000
	Mrs. Anuja Agarwal	745,104
	Mrs. Siddhishree Jhunjhunwala	270,816

Note : Related parties have been identified by the Management.

NOTE 27 DISCLOSURES UNDER ACCOUNTING STANDARDS (CONTD.)

Note Particulars

	For the year ended 31 March, 2021	For the year ended 31 March, 2020
32.1 Earnings per share		
Basic		
32.1.a Net profit / (loss) for the year	162,854,349	384,039,243
(Add) / Less: Extraordinary items (net of tax) relating to continuing operations	41,329,584	96,333,260
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	121,524,765	287,705,983
Weighted average number of equity shares	13,440,000	13,440,000
Par value per share	10	10
Earnings per share from continuing operations, excluding extraordinary items - Basic	9.04	21.41
32.1.b Diluted		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	121,524,765	287,705,983
Dividend and tax Paid there on	-	-
Net profit / (loss) for the year from continuing operations diluted	121,524,765	287,705,983
The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible bonds for the respective periods. Since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.	9.04	21.41