

**ANNUAL REPORT  
2020-21**



**Madhusudan**  
**Industries Limited**

**Board of Directors**

Shri Rajesh B. Shah  
Shri P. K. Shashidharan  
Shri P. C. Surana  
Smt. Rutva Acharya  
Shri Sanwarmal Agarwal (upto 11.08.2020)  
Shri Rajesh P. Shah (upto 20.04.2021)  
Shri Yogendra Jhaveri (w.e.f. 15.06.2021)

**Auditors**

Shailesh Shah & Associates  
Chartered Accountants,  
Ahmedabad.

**Registered Office**

Survey No. 359/B, 359/C, 361 and 362,  
Rakhial - 382 315, Taluka - Dehgam,  
Dist. Gandhinagar, Gujarat.  
Phone : (079) 26427287  
E-mail : madhusudan\_i@yahoo.in  
Website : www.madhusudan-india.com  
CIN : L29199GJ1945PLC000443

**Ahmedabad Office**

"Madhusudan House", Opp. Navrangpura Telephone Exchange, Ahmedabad - 380 006.

**Registrar & Share Transfer Agent**

MCS Share Transfer Agent Limited,  
201, Shatdal Complex, 2nd Floor,  
Opp. Bata Show Room, Ashram Road,  
Ahmedabad - 380 009.

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**Annual General Meeting at 11.30 a.m. on Thursday,  
the 16<sup>th</sup> day of September, 2021 through Video Conferencing /  
Other Audio Visual Means.**



## NOTICE

Notice is hereby given that the 75<sup>th</sup> Annual General Meeting of the Members of the **MADHUSUDAN INDUSTRIES LIMITED** will be held at 11.30 a.m. on Thursday, the 16<sup>th</sup> day of September, 2021 through Video Conferencing ('VC') facility or Other Audio Visual Means ('OAVM') to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the Financial year ended on 31<sup>st</sup> March, 2021 and the Directors' and Auditors' Reports thereon.
2. To appoint a director in place of Shri P. K. Shashidharan (DIN: 06506263), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Ordinary resolution**:

"RESOLVED THAT Shri Yogendra Jhaveri (DIN:09158111), who was appointed as an additional director of the Company by the Board of Directors w.e.f. 15<sup>th</sup> June 2021 in terms of Section 161 of the Companies Act, 2013 and Article 131 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company (who will not retire by rotation) pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under including any amendment(s), modification(s), replacement(s) or re-enactment(s) thereof for the time being in force read with Schedule IV to the Companies Act, 2013 to hold office for 5 (five) consecutive years for a term up to 14<sup>th</sup> June, 2026."

Regd. Office :  
Survey No. 359/B, 359/C, 361 and 362,  
Rakhial – 382 315, Taluka - Dehgam,  
Dist. Gandhinagar.  
15<sup>th</sup> June, 2021  
CIN : L29199GJ1945PLC000443

By Order of the Board of Directors  
For, Madhusudan Industries Limited

Neha Singh  
Company Secretary  
(ACS: 55606)

### NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [evoting@parikh-dave.com](mailto:evoting@parikh-dave.com) with a copy marked to [evoting@cdslindia.com](mailto:evoting@cdslindia.com).
4. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to MCS Share Transfer Agent Limited, Ahmedabad in case the shares are held by them in physical form.
5. Statement pursuant to provisions of Section 102 of the Companies Act, 2013 is annexed hereto.
6. Unpaid / Unclaimed Dividend, Share application money received and due for refund and matured deposits unclaimed and unpaid for a period of seven years as applicable have been transferred to the Investor Education and Protection Fund pursuant to the provisions of, the Companies Act.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar. Securities and Exchange Board of India has prohibited physical transfer of shares w.e.f. 01.04.2019.

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8. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020 and January 15, 2021, Notice of the AGM alongwith the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.madhusudan-india.com, websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com at Notice of AGM on the website of CDSL: www.evotingindia.com. Members who have not registered their email address are requested to get their email address registered with their DPs in case the shares are held in electronic mode and with Company's Registrar and Share Transfer Agent, MCS Share Transfer Agent Limited, Ahmedabad in case shares are held in Physical Form. This may be treated as an advance opportunity in terms of proviso to Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014.
9. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
10. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 9<sup>th</sup> September, 2021 through email on madhu\_green@madhusudan-india.com. The same will be replied by the Company suitably. All the documents, if any, referred to in this notice and explanatory statement are available for inspection of the members of the Company on any working day except Saturday, between 10:00 a.m. to 1:00 p.m. up to the conclusion of this meeting.
11. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut-off date i.e. 9<sup>th</sup> September, 2021 only shall be entitled to avail the facility of remote e-voting or voting at the Meeting. The copy of register of Directors, Key Managerial Personnel and their shareholding maintained under the Companies Act, 2013 will be available for inspection by the members on request by sending an e mail to the Company.
12. Brief resume of Directors, proposed to be appointed / re-appointed at this Annual General Meeting is given below:

Name of Director	Shri P. K. Shashidharan(DIN: 06506263)	Shri Yogendra Jhaveri(DIN: 09158111)
Date of Birth	07.08.1958	16.09.1950
Date of Appointment	26.02.2013	15.06.2021
Qualification	M.A. (English)	Bachelor of Commerce
Brief Resume and nature of expertise in specific Functional areas	Marketing & Marketing Services	Rich experience of more than 30 years in the field of Purchase & Commercials
List of other Directorships	NIL	Gujarat Soaps Private Limited
Terms and Condition for appointment	N.A.	As per Explanatory Statement
Chairman / Member of the Committees of the Board of other Companies	NIL	NIL
Shareholding in the Company	NIL	200
Disclosure of relationship between Director inter se	Not related to any Director	Not related to any Director
No. of Board Meeting attendance FY 2020-21	4	N.A.

### 13. INSTRUCTION FOR E-VOTING AND JOINING THE AGM:

- a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 readwith Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and 13th January, 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has appointed Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the evoting system on the date of the AGM will be provided by CDSL.
- b) The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- c) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- d) Shareholders holding equity shares shall have one vote per share as shown against their holding. The shareholders can vote for their entire voting rights as per their discretion.
- e) **THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**
  - (i) The voting period will begin on 13<sup>th</sup> September, 2021 and will end on 15<sup>th</sup> September, 2021. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 9<sup>th</sup> September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the time of meeting.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e- Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e- Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/ Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) <b>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</b></li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

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Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

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

(v) Login method for e-Voting and joining virtual meeting for Individual shareholders holding shares in Physical Form and shareholders other than individual shareholders holding shares in Demat form / physical form.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>- Shareholder who have not updated their PAN with the Company / Depository participated are requested to use the Sequence Number. Please send request to madhu_green@madhusudan-india.com to get sequence number.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>- If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- 7) After entering these details appropriately, click on "SUBMIT" tab.
- 8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 10) Click on the EVSN for the relevant <Madhusudan Industries Limited> on which you choose to vote.
- 11) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 12) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 13) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- 14) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- 15) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- 16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(vi) INSTRUCTIONS FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS**

- 1) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- 2) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- 3) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- 4) The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- 5) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- 6) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; company email id i.e. [madhu\\_green@madhusudan-india.com](mailto:madhu_green@madhusudan-india.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**(vii) PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- 1) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN(self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/ RTA email id.
- 2) For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
- 3) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

**(viii) INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- 1) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- 2) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 3) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- 4) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id i.e. [madhu\\_green@madhusudan-india.com](mailto:madhu_green@madhusudan-india.com)). These queries will be replied to by the company suitably by email.
- 5) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- 6) If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.
- 7) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**(ix) INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

- 1) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- 2) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- 3) Only those shareholders, who are present in the AGM through VC/OAVM facility and who have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- 4) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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- 5) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
14. Umesh Parikh, Partner of Parikh Dave & Associates, Practicing Company Secretaries, Ahmedabad has been appointed as the Scrutinizer to scrutinize the e-voting process and voting process at AGM in a fair and transparent manner.
15. The scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote voting in the presence of at least two witnesses not in the employment of the company and make, within two working days from the conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
16. The Results will be declared on receipt of Scrutinizer's Report at the Registered office of the Company at Survey No. 359/B, 359/C, 361 and 362, Rakhial – 382 315, Taluka - Dehgam, Dist. Gandhinagar, Gujarat. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.madhusudanindia.com](http://www.madhusudanindia.com) and on the website of CDSL immediately and communicated to the BSE.

### **Statement pursuant to provisions of Section 102 the Companies Act, 2013.**

#### **Item No. 3**

The Board of Directors at its meeting held on 15th June, 2021 has appointed Shri Yogendra Jhaveri as an Additional Director (Independent) of the Company w.e.f. 15th June, 2021 under section 161 of the Companies Act, 2013 and Article 131 of the Articles of Association of the Company. He is Bachelor of Commerce, having rich experience of more than 30 Years in the field of Purchase and Commercial of manufacturing industries. He is holding 200 shares in the Company.

According to the provisions of Section 161 of the Companies Act, 2013, he will hold office as an Additional Director only up to the date of this Annual General Meeting. As required under Section 160 of the Companies Act, 2013, notice has been received from a member signifying his intention to propose the appointment of Shri Yogendra Jhaveri as Director. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Yogendra Jhaveri being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to 14th June 2026. His appointment as an Independent Director is also approved and recommended by the Nomination and Remuneration Committee of the Company.

In the opinion of the Board, Shri Yogendra Jhaveri fulfills the conditions specified in the Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director of the Company. He is independent of the management of the Company.

The Board considers that his experience and expertise would be beneficial to the Board and the Company and it is desirable to avail the services of Shri Yogendra Jhaveri as an Independent Director. Accordingly, the Board recommends the resolution as per item no. 3 of the accompanying notice for appointment of Shri Yogendra Jhaveri as an Independent Director for passing by the members of the Company as Ordinary Resolution.

The disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided in the notes to this Notice.

Except Shri Yogendra Jhaveri, none of your Directors or key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the resolution as per the item No. 3 of the notice.

Regd. Office :  
Survey No. 359/B, 359/C, 361 and 362,  
Rakhial – 382 315, Taluka - Dehgam,  
Dist. Gandhinagar.  
15<sup>th</sup> June, 2021  
CIN : L29199GJ1945PLC000443

By Order of the Board of Directors  
For, Madhusudan Industries Limited

Neha Singh  
Company Secretary  
(ACS: 55606)



## Directors' Report

To  
The Members,

The Directors have pleasure in submitting the Annual Report together with the Statement of Audited Financial Statements of your Company for the year ended 31<sup>st</sup> March, 2021.

### Performance

The summary of your Company's financial performance is given below:

	Year ended March 31, 2021 (Rs. in lakhs)	Year ended March 31, 2020 (Rs. in lakhs)
Profit before Depreciation and Taxes	488.54	(125.24)
Deducting there from Depreciation	10.02	10.78
Profit / Loss before tax after exceptional item	478.52	(136.02)
Deducting therefrom taxes of:		
- Current Tax	15.00	11.15
- Deferred Tax	105.19	(49.62)
Profit for the period	358.33	(97.55)
Add/(Less): Other Comprehensive Income (Net of Tax)	0.90	(1.25)
<b>Total Comprehensive Income</b>	<b>359.23</b>	<b>(98.80)</b>

### Transfer to Reserves

Due to Carry forward loss of previous years the Company has not transferred any amount to General Reserve in the current year.

### Highlights / Performance of the Company

Total revenue from operations of the Company was Rs. 91.31 Lakhs during the year, as compared to Rs. 102.87 Lakhs in the previous year. The other income of the company stood at Rs. 493.11 lakhs during the year under review.

### Covid-19

Presently Company is not involved in any manufacturing activities, except leasing of property. Hence, services of the company were not much affected by the Covid-19 pandemic. The Company has also considered internal and external information and has performed an analysis based on current estimates while assessing the provision towards employee benefits, trade receivables, investments and other current and financial assets, for any possible impact on the financial statements. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position and internal financial reporting controls. However, the actual impact of COVID-19 on business may differ from that estimated due to unforeseen circumstances and the Company will continue to closely monitor any material changes to future economic conditions.

### Management Discussion and Analysis

#### a) Industry Structure and Developments

The Company continues its search for a viable project to be set up at the available facilities at Rakhial.

#### b) Opportunities and Threats

The Management is interested in undertaking a suitable venture that can be set up in the available land and infrastructure with the Company. As such the Company does not face any threat in its existence.

#### c) Outlook

It will entirely depend on the project to be set up by the Company.

#### d) Risks & Concerns

Presently, Company is exposed to the prevalent risks of uncertainties and changes in government policies, unexpected regulatory changes etc.

#### e) Internal Control Systems and their adequacy

The Company has computerized its accounting system since many years. Adequate internal control system exists in the Company and the internal control system of the Company is commensurate with the size and complexity of the Company's business. The operations are subject to periodic internal audit by independent Auditors.

#### f) Financial performance with respect to Operational Performance is discussed in the main part of the report.

#### g) Material Developments in Human Resources, Industrial Relations, Environment, Health & Safety

The Company values and nurtures its human resources and Company would continue to adopt and implement the best HRD practices in future. Manpower strength of the Company as on March 31, 2021 stands at 5.

#### h) Key Financial Ratios : (in times / %)

Sr. No.	Ratio	2020-21	2019-20
1	Debtors Turnover -times	0.00	14550.07
2	Inventory Turnover	0.00	0.00
3	Interest Coverage Ratio	0.00	0.00
4	Current Ratio - times	49.63	41.36
5	Debt. Equity Ratio	0.00	0.00
6	Operating Profit Margin %	524.04	(132.23)
7	Net Profit Margin %	392.42	(94.83)
8	Return on Net Worth %	16.98	(5.57)

## **Annual Report 2020-2021**

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There is no amount receivable from debtors at the beginning and at the end of FY 2020-21 which has resulted Debtors turnover ratio as Nil for FY 2020-21 as compared to that of FY 2019-20, which has resulted in decrease in Debtors Turnover. Operating Profit Margin, Net Profit Margin and Return on Net Worth Ratios varies due to increase in the fair value of Non-Current and Current Investments of the Company in FY 2020-21 as compared to carrying fair values of FY 2019-20, which are recognized in the statement of profit and loss account as per the requirement of Indian Accounting Standards (Ind AS).

### **Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The information required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 is annexed herewith as a separate **Annexure-I**.

### **Particulars of contracts or arrangements with related parties**

All transactions entered with Related parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length basis, the details of which are included in the notes forming part of the financial statements.

There were no material related party transactions entered during the year. Accordingly, information in form AOC - 2 is not annexed. Further no materially significant related Party transactions were made by the Company with Directors, Key Managerial Personnel or other designated Persons, which may have a Potential Conflict with the interest of the Company at large. All related party transactions were placed before the Audit Committee and also the Board for approval. The Policy on related Party transactions as approved by the Board is uploaded on the Company's website i.e. [www.madhusudan-india.com](http://www.madhusudan-india.com).

### **Director's Responsibility Statement**

In compliance of Section 134(5) of the Companies Act, 2013, the Directors of your Company confirm:

- that in the preparation of annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- that such accounting policies have been selected and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2021 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared on a going concern basis.
- that internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Managerial Remuneration and Employees**

Details required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are enclosed as a separate **Annexure- II**

Details of employees as specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is annexed to this report as annexure, however it is not being sent alongwith this Annual Report but available for inspection at the Registered Office of the Company during working hours, 21 days before the Annual General Meeting and shall be made available to any shareholder on request, being made to the Company Secretary. The above detail is not being sent alongwith this Annual Report to the members in line with the provisions of Section 136 of the Companies Act, 2013 and rules made thereunder.

Company has not offered its shares to its employees under ESOS during the year under review.

Company has not sanctioned loan to any of its employees for purchase of Company's shares under any scheme.

### **Annual Return**

Pursuant to Section 134(3)(a) and Section 92(3) of the Act, the copy of Annual Return of the Company for the Financial Year ended March 31, 2021 will be placed on the Company's website at [www.madhusudan-india.com](http://www.madhusudan-india.com)

### **Corporate Governance**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, report on Corporate Governance has been included in this Annual Report as a separate **Annexure - III**

As per Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is not required to comply with Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V. However, as a good corporate governance practice, the Company has been complying with the aforesaid provisions / regulations voluntarily.

### **Number of Meetings of the Board**

The Board of Directors, during the financial year 2020-21 duly met 4 times on 25.06.2020, 11.08.2020, 12.11.2020 and 08.02.2021 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

### **Particulars of Loans, guarantees or investments u/s 186.**

The loans if any, made by the Company are within the limits prescribed u/s 186 of the Companies Act, 2013 and no guarantee or security is provided by the Company.

Details of investments covered u/s 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### **Risk Management Policy**

The Risk Management is overseen by the Audit Committee / Board of Directors of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis.

**Audit Committee**

The Company has constituted Audit Committee. For details please refer Corporate Governance Report attached as a separate **Annexure-III**

**Internal Control System and its Adequacy**

The Company has internal control system commensurate with the size, scale and complexity of its business operations. The scope and functions of Internal Auditor are defined and reviewed by the Audit Committee. The Internal Auditor reports to the Chairman of the Audit Committee. The Internal Auditor assesses opportunities for improvement of business processes, systems and controls, to provide recommendations, which can add value to the organisation.

**Dividend**

Due to carry forward loss of previous years, the Board of Directors has not recommended any dividend. During the year the Company was not required to transfer unclaimed dividend to the Investor Education and Protection Fund.

**Share Capital**

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2021 was Rs.268.75 Lakhs. During the year under review the Company has not issued any shares.

No shares with differential voting rights, stock or sweat equity shares were issued by the Company during the year under review.

The Company was not required to transfer any Shares to Investor Education and Protection Fund, pursuant to the provisions of section 124 & 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016.

**Exchequer**

The Company has contributed Rs. 28.49 Lakhs to the exchequer by way of GST, Income Tax, Excise and other fiscal levies.

**Deposits**

The Company has not accepted and not renewed any deposit falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

**Directors**

Members at the Annual General Meeting held on 25th September, 2018 have re-appointed Shri Rajesh B. Shah, Shri P. C. Surana and Smt. Rutva Acharya as Independent Directors of the Company to hold office for further period of five consecutive years for a term up to 31<sup>st</sup> March, 2024 (they will not retire by rotation).

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent director during the year under review and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence. The Company keeps informed independent directors about changes in the Companies Act, 2013 and rules and other related laws from time to time and their role, duties and responsibilities. On account of pre occupancy and personal reason Shri Sanwarmal Agarwal ceased to be the director of the company due to resignation dated 11.08.2020.

Shri Rajesh P. Shah was appointed as Additional Director -Non-Executive Independent on 11.08.2020 and was appointed as Independent Director for 5 (five) consecutive years for a term up to 10<sup>th</sup> August, 2025 at the AGM dated 19.09.2020 by members of the Company. Further, Due to COVID-19 he expired on 20.04.2021.

The Board placed its warm appreciation for the contribution made by both the Directors during their tenure on the Board of the Company.

Shri Yogendra Jhaveri is appointed as an Additional Director (Independent) of the Company by the Board of Directors at its meeting held 15<sup>th</sup> June, 2021. He is proposed to be appointed as an Independent Director for five consecutive years for a term up to 14<sup>th</sup> June 2026 at ensuing AGM.

Shri. P.K. Shashidharan, director is due to retire at the end of the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Brief resume of the Director who is proposed to be reappointed at the ensuing Annual General meeting as required as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the notice convening this Annual General Meeting of the Company.

The resolution proposing their appointment/re-appointment is include in the Notice of Annual General Meeting for approval of the members.

**Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder, Schedule – IV of the Companies Act and SEBI (LODR) Regulations, 2015, the Board has carried the evaluation of its own performance, individual Directors and its Committees on the basis of attendance, contribution and various criteria as recommended by the Nomination and Remuneration Committee of the Company.

The performance of each of the Independent Director and non-independent director was also evaluated by the Independent Directors at the separate meeting held of Independent Directors of the Company.

**Policy on Directors appointment and remuneration**

Criteria determining the qualifications, positive attributes and independence of Directors.

**Independent Directors****Qualifications of Independent Director**

An independent director shall possess appropriate skills, qualifications, experience and knowledge in one or more fields of finance, law, management, marketing, administration, corporate governance, operations or other disciplines related to the Company's business.

**Positive attributes of Independent Directors**

An independent director shall be a person of integrity, who possesses knowledge, qualifications, experience, expertise in any area, integrity, level of independence from the Board and the Company etc. Independent Directors are appointed on the basis of requirement of the Company, qualifications & experience, association with the Company etc. He/She should also devote sufficient time to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

## ***Annual Report 2020-2021***

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### **- Independence of Independent Directors**

An independent director should meet the requirements of Section 149(6) of The Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and give declaration every year to the Board of Directors for the same.

### **Other Directors and Senior Management**

The Nomination and Remuneration Committee shall identify and ascertain the qualifications, expertise and experience of the person for appointment as Director or at Senior Management Level and recommend to the Board his/her appointment.

The Company shall not appoint or continue the employment of any person as Director or Senior Management Personnel if the evaluation of his performance is not satisfactory.

Other details are disclosed in the Corporate Governance Report under the head Nomination and Remuneration Committee and details of Remuneration (Managing Director/Whole Time Director and Non-Executive Directors) are attached as separate **Annexure III** to this report.

### **Remuneration / commission from Holding or Subsidiary Company**

The Company has no Holding Company or Subsidiary Company.

### **Remuneration Policy**

It is separately disclosed in the Corporate Governance Report attached as a separate **Annexure-III** to this Report.

### **Auditors and their Observations**

Shailesh Shah & Associates., Chartered Accountants are the statutory auditors of the company. They are appointed for a period of five years, from the conclusion of AGM held on 22nd September, 2017 till the conclusion of the AGM to be held for the Financial year 2021-22.

Pursuant to amendment to section 139 of the Companies Act, 2013 effective from May 7, 2018, ratification of Statutory Auditors' appointment is not required at every Annual General Meeting. Accordingly, resolution for ratification of Statutory Auditors is not proposed.

The Auditors' Report to the members for the financial year under review do not contain any qualification, reservation or adverse remarks or disclaimer.

The Statutory Auditors have not reported any fraud during the year under review.

### **Secretarial Audit**

Pursuant to provisions of Section 204 of Companies Act, 2013 and Rules made there under, the Company has appointed Parikh Dave and Associates, Practicing Company Secretaries to undertake the secretarial audit of the Company for the year 2020-21.

The Secretarial Audit Report for the year 2020-21 given by Parikh Dave and Associates, Company Secretaries in practice is annexed with this report.

The Secretarial Audit Report do not contain any qualification or adverse remark.

The company is complying with the applicable Secretarial Standards.

### **Cost Records and Cost Auditors**

The Company is not required to maintain cost records under Companies (Cost Records and Audit) Rules, 2014, accordingly Cost Auditors are not appointed.

### **Insurance**

Your Company has adequately insured all its properties.

### **Industrial Relations**

Your Company's relations with its employees remained cordial throughout the year. The Directors wish to place on record their deep appreciation for the services rendered by staff members and executives of the Company.

Your Company has taken adequate steps for the health and safety of its employees, as required under the Gujarat Factories Rules, 1963. During the year under review the Company has not received any complaint under The Sexual Harassment of women at Workplace (prevention, prohibition and redressal) Act, 2013.

### **Material Changes Affecting Financial Position of the Company**

No material changes or commitments, affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate, i.e. 31<sup>st</sup> March, 2021 and the date of the Board's Report.

There is no application pending under the Insolvency and Bankruptcy Code, 2016 against the company.

### **Change in Nature of Business**

There has been no change in the nature of the business of the Company during the Financial year 2020-21.

### **Orders passed by Regulatory Bodies or Courts**

No regulatory body or court or tribunal has passed any significant and material orders impacting the going concern status and operations of the company.

### **Vigil Mechanism**

The company has implemented Vigil Mechanism. For details please refer Corporate Governance Report attached as a separate **Annexure-III**

### **Appreciation**

Your Directors would like to place on record their gratitude for the co-operation and assistance given by various departments of both State and Central Governments.

Ahmedabad  
15<sup>th</sup> June 2021

For and on behalf of the Board of Directors,

**Rajesh B. Shah (DIN : 00607602)**

**P. C. Surana (DIN : 06508125)**

**P. K. Shashidharan (DIN : 06506263)**

**Rutva Acharya (DIN : 06933478)**

Directors

### Annexure I to the Directors' Report

Disclosure of particulars with respect to Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo stipulated under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules 2014 and forming part of the Report of the Board of Directors for the year ended 31<sup>st</sup> March, 2021.

- A. Conservation of Energy** : Steps taken or impact on conservation of energy: The Company has taken measures and applied strict control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. The day to day consumption is monitored various ways and meeting are adopted to reduce the power consumption in an effort to save energy.  
Steps taken for utilizing alternate source of energy: the Company presently not taken any steps for alternative utilization of alternate source of energy.  
Capital investment on energy conservation equipment: Company has not made any capital investment on energy conservation equipment.
- B. Technology Absorption** : The Company has not imported any technology hence there is nothing to be reported here.
- C. Foreign Exchange earnings and outgo** : There are no foreign exchange earning and outgo during the year under review.

Ahmedabad  
15<sup>th</sup> June 2021

For and on behalf of the Board of Directors,  
**Rajesh B. Shah (DIN : 00607602)**  
**P. C. Surana (DIN : 06508125)**  
**P. K. Shashidharan (DIN : 06506263)**  
**Rutva Acharya (DIN : 06933478)**  
Directors

### Annexure II to the Directors' Report

Details as per Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. N.	Particulars												
i.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	There is no working director in the Company and no remuneration was paid to any director except sitting fees.											
ii.	The % increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year	<table border="1"> <thead> <tr> <th rowspan="2">Directors</th> <th colspan="3">KMPs</th> </tr> <tr> <th>CEO</th> <th>CFO</th> <th>CS</th> </tr> </thead> <tbody> <tr> <td>NIL</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>	Directors	KMPs			CEO	CFO	CS	NIL	Nil	Nil	Nil
Directors	KMPs												
	CEO	CFO	CS										
NIL	Nil	Nil	Nil										
iii.	The % increase in the median remuneration of employees in the financial year	Nil											
iv.	The number of permanent employees on the rolls of company.	5											
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The percentage increase in salary of employees in last financial year is Nil%. There was no whole-time director (Managerial Personnel defined under the Companies Act) in the Company. Annual increase in remuneration was based on remuneration policy, qualifications and experience, responsibilities shouldered and individual performance of the employees.											
vi.	Affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration is as per the remuneration policy of the Company.											

Ahmedabad  
15<sup>th</sup> June, 2021

For and on behalf of the Board of Directors,  
**Rajesh B. Shah (DIN : 00607602)**  
**P. C. Surana (DIN : 06508125)**  
**P. K. Shashidharan (DIN : 06506263)**  
**Rutva Acharya (DIN : 06933478)**  
Directors

## Annexure III to the Directors' Report

**CORPORATE GOVERNANCE REPORT****(As required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)****1) Company's Philosophy**

The Company believes in the practice of good Corporate Governance and acting as a good corporate citizen.

The spirit of Corporate Governance has been prevailing in the Company. The Company believes in the values of transparency, professionalism and accountability. The Company recognizes the accountability of the Board and importance of its decisions on its customers, dealers, employees, shareholders, and with every individual, who comes in contact with the Company.

**2) Board of Directors**

The Board comprises of 5 (five) Non-Executive Directors.

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the period under review.

During the year, 4 Board Meetings were held on 25.06.2020, 11.08.2020, 12.11.2020 and 08.02.2021.

None of the directors on the Board are members in more than ten committees and they do not act as Chairmen of more than five committees across all companies in which they are directors.

The composition of Board of Directors and their attendance at the Board meetings during the year and at the last Annual General Meeting as also number of other directorships and Committee Memberships are given below:

Sr. No.	Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance At last AGM	No. of Other directorships	No. of Other Committee Memberships
1.	Shri Rajesh B. Shah	Non-Executive Independent Director	4	Yes	1	-
2.	Shri Sanwarmal Agarwal*	Non-Executive Director	1	NA	1	-
3.	Shri P. K. Shashidharan	Non-Executive Director	4	Yes	-	-
4.	Shri Prem Chand Surana	Non-Executive Independent Director	4	Yes	1	-
5.	Smt. Rutva Acharya	Non-Executive Independent Director	4	Yes	-	-
6.	Shri Rajesh P. Shah**	Non-Executive Independent Director	2	Yes	—	—
7.	Shri Yogendra Jhaveri***	Non-Executive Independent Director	-	NA	1	—

\*Shri Sanwarmal Agarwal ceased to be the director of the company due to resignation dated 11.08.2020.

\*\*Shri Rajesh P. Shah appointed as Non-Executive Independent Director on 11.08.2020 and he ceased to be Director due to death on 20.04.2021.

\*\*\*Shri Yogendra Jhaveri Appointed as an Additional Director (Independent) w.e.f. 15.06.2021.

None of the Directors of the Company hold Directorship in any other Listed Company.

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meeting.

All Independent Directors are experienced and competent from their respective field. They actively participate in the Board and Committees which gives significant value addition in the decision-making process. Familiarization programs imparted to independent directors is posted on company's website [www.madhusudan-india.com](http://www.madhusudan-india.com).

None of the Directors are related to any other director on the Board in term of Definition of 'relative' as per the Companies Act, 2013.

**Skills / Expertise / Competence of the board**

The Board comprises of persons with varied experiences in different areas who bring in the required skills, competence and expertise that allows them to make effective contribution to the Board and its committees. The following list summarizes the key skills, competence and area of expertise that the Board thinks is necessary for functioning in the context of the Company's business and sector and which in the opinion of the Board, its members possess:

Commercial	Ability to understand what make business or organization successful through either buying or selling products, cost of goods and Services and taxes etc.
Finance	Having knowledge in accounting, finance, treasury, tax, financial management of large scale corporates, financial reporting process etc.
Sales and marketing	Having understanding of complex and large corporate structure supply and marketing chain, strategic planning, marketing skills. Understanding local and global trends in the business.
Technology and technical know how.	Having knowledge of emerging areas of digital technology, artificial intelligence, cyber technology etc. and having good understanding of technical knowhow and technologies specifically used in ceramic industry.
General Administration and Human Resources	Having understanding of organizational system, complex business and regulatory environment, strategic planning and handling routine affairs and Human resources of the Company.
Risk management and mitigation planning	Ability to understand and assess the key risks to the organization, legal compliances, and to ensure that appropriate procedures and policies are in place for effective managing the Company.

Legal and Corporate Laws Understanding the legal eco system in which the Company operates, Experience and expertise in implementing good corporate governance, managing Stakeholders' interest, possessing the required skill and knowledge of laws and regulations applicable to the Company and ensuring its compliance in the best interest of the Company.

**Chart / matrix setting out the skills/expertise/competence of the Board of Directors**

Area of expertise/ skills	Shri. Rajesh B. Shah	Shri. P.K.Sha- shidharan	Shri. P.C. Surana	Smt. Rutva Acharya	Shri. Yogendra Jhaveri
Commercial	✓	✓	✓	✓	✓
Finance	✓		✓		
Sales and marketing		✓			
Technology		✓			
General Administration and Human Resources				✓	
Legal and Corporate Laws	✓		✓		

**Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of the specific duties, obligations and governance were also evaluated.

A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Independent and Non-Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

**Independent Directors' Meeting:**

During the year under review, the Independent Directors met on 08.02.2021 inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors, the Board of Directors as whole and Key Managerial Personnel.
- Evaluation of the performance of the Board of Directors, taking into account the views of the Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

and there has been no change in the circumstances which may affect their status as Independent director during the year under review and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. In the opinion of the Board the Independent Directors of the Company fulfills conditions specified in SEBI (LODR) Regulations, 2015 and are Independent of the management of the Company.

**Prohibition of Insider Trading:**

In Compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the Directors, Promoters, Senior Managerial Personnel, Designated Persons and other connected persons of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing in the shares of the Company. The Company has revised Internal Code of Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders in line with the amendments in SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Code of Conduct**

The Company has implemented model code of conduct for the Board members and senior Officers of the Company. The code of conduct has been posted on the website of the Company i.e. [www.madhusudan-india.com](http://www.madhusudan-india.com)

**Risk Management Policy**

The Board of directors has framed, approved and implemented Risk Management Policy of the Company including identification and element of risks.

**3) Audit Committee**

The Audit Committee consists of 4 directors, namely Shri Rajesh B. Shah – Chairman (Independent), Shri Prem Chand Surana (Independent), Smt. Rutva Acharya (Independent) and Shri Yogendra Jhaveri (Independent). During the year, 4 Audit Committee Meetings were held on 25.06.2020, 11.08.2020, 12.11.2020 and 08.02.2021.

**Terms of reference:**

The role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under regulation 18 and Part – C of Schedule - II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

Details of no. of meetings and attendance there at is as under.

Name of Director	No. of Meetings	
	Held	Attended
Shri Rajesh B. Shah	4	4
Shri Prem Chand Surana	4	4
Shri Sanwormal Agarwal*	2	1
Smt. Rutva Acharya	4	4
Shri Rajesh P. Shah**	2	2
Shri Yogendra Jhaveri***	NA	NA

\*Shri Sanwormal Agarwal ceased to be the member of Audit Committee of the company due to resignation dated 11.08.2020.

\*\*Shri Rajesh P. Shah ceased to be the member of Audit Committee of the company w.e.f. 20.04.2021.

\*\*\*Shri Yogendra Jhaveri appointed as Member of Audit Committee w.e.f. 15.06.2021.

## Annual Report 2020-2021

### 4) Nomination and Remuneration Committee

The Nomination and Remuneration Committee, consists of 4 directors namely, Shri Rajesh B. Shah – Chairman (Independent), Shri Prem Chand Surana (Independent) Smt. Rutva Acharya (Independent) and Shri Yogendra Jhaveri (Independent).

The terms of reference/scope of committee covers the matters as mentioned in Schedule II Part D of SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013

During the year under review 2 meetings were held on 11.08.2020 and 08.02.2021.

Independent Directors are appointed and their performance is evaluated based on the criteria such as knowledge, qualifications, experience, expertise in any area, integrity, level of independence from the Board and the Company, number of meetings attended, familiarization programs attended, time devoted etc. The committee recommends appointment of directors to the board.

Details of no. of meetings and attendance there at is as under.

Name of Director	No. of Meetings	
	Held	Attended
Shri Rajesh B. Shah	2	2
Shri Prem Chand Surana	2	2
Shri Sanwormal Agarwal*	1	1
Smt. Rutva Acharya	2	2
Shri Rajesh P. Shah**	1	1
Shri Yogendra Jhaveri***	NA	NA

\*Shri Sanwormal Agarwal ceased to be the member of Nomination and Remuneration Committee of the company due to resignation dated 11.08.2020.

Shri Rajesh P. Shah ceased to be the member of Committee w.e.f. 20.04.2021.

\*\*\*Shri Yogendra Jhaveri appointed as Member of Nomination and Remuneration Committee w.e.f. 15.06.2021.

### 5) Remuneration Policy

Remuneration of employees largely consists of basic remuneration and perquisites.

The component of the total remuneration varies for different grades and is governed by Industry pattern, qualifications and experience of the employee, responsibilities handled by him and his individual performance, etc.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution and to retain talent in the organization and accord merit.

### 6) Details of remuneration for the year ended 31.03.2021

#### (i) Managing Director / Whole-time Director(s)

The company has no Managing Director / Whole Time Director(s).

#### (ii) Non-Executive Directors & their Shareholding:

Remuneration by way of sitting fees for attending Board meetings was paid to the Non-Executive directors. No commission is proposed to be paid to the Non-Executive Directors for the year ended 31<sup>st</sup> March, 2021.

The details of sitting fees paid to them during the year and their shareholding are as under:

Name of Director	Sitting Fees (Amt. in Lakhs)	No of Shares held	% of total shareholding
Shri Rajesh B. Shah	0.11	5	0.00
Shri Prem Chand Surana	0.11	4	0.00
Shri P. K. Shashidhaan	0.11	NIL	NIL
Smt. Rutva Acharya	0.11	150	0.00
Shri Sanwormal Agarwal*	0.02	NIL	NIL
Shri Rajesh P. Shah**	0.07	NIL	NIL
Shri Yogendra Jhaveri	NA	200	0.00
<b>Total</b>	<b>0.53</b>		

\*Shri Sanwormal Agarwal ceased to be the director of the company due to resignation dated 11.08.2020.

\*\*Shri Rajesh P. Shah appointed as Non-Executive Independent Director on 11.08.2020 and ceased to be Director due to death on 20.04.2021.

\*\*\*Shri Yogendra Jhaveri appointed as an additional Independent Director of w.e.f. 15.06.2021.

### 7) Share Transfer Committee

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in order to expedite the process of share transfers / Duplicate/transmissions / name deletion and all the matters in connection with the securities issued by the Company, frequently as and when the need arises, the Board had delegated the powers for dealing in all the matters relating to securities of the Company to the Share Transfer Committee.

The Share transfer committee consists of three directors namely Shri P.C. Surana – Chairman (independent), Shri Rajesh B. Shah (independent) and Shri Yogendra Jhaveri (independent).

Shri Sanwormal Agarwal ceased to be the member of Share Transfer Committee, due to resignation as Director w.e.f. 11.08.2020 and Shri Yogendra Jhaveri appointed as Member of Share Transfer Committee w.e.f. 15.06.2021.

The Company confirms that there were no share transfers lying pending as on date which were received upto 31.03.2021 and all requests for dematerialization and re-materialization of shares as on that date were confirmed / rejected into the NSDL / CDSL system.

#### Share Transfer Agent

The Company has appointed MCS Share Transfer Agent Limited, a SEBI registered Share Transfer Agent as Registrar and Share Transfer Agent.

### 8) Stakeholders Relationship Committee

The Stakeholders Relationship Committee consists of 3 directors namely Shri Prem Chand Surana – Chairman (Independent), Shri P.K. Shashidharan and Smt. Rutva Acharya (Independent).

All the complaints received from the Shareholders were resolved. There is no complaint pending as on 31.03.2021, which is not attended / replied by the Company.

During the year, one meeting was held on 25.06.2020.

Name and Designation of Compliance Officer:

Ms. Neha Singh, Company Secretary and Compliance Officer.

Status of Complaints during the financial year ended on 31.03.2021:



Complaints at the beginning of the year	0
Complaints received during the year:	0
Complaints resolved during the year:	0
Complaints remain unresolved at the end of the year:	0

#### 9) General Body Meetings

The last three Annual General Meetings/Extra ordinary General Meeting were held as under:

Financial Year ended	Date	Time	Venue
31.03.2020	19.09.2020	11.30 a.m.	Held Through Video Conferencing / Other Audio Visual Means
31.03.2019	19.09.2019	11.30 a.m.	Survey No. 359/B, 359/C, 361 & 362, Rakhial - 382315, Taluka – Dehgam, Dist. Gandhinagar
31.03.2018	25.09.2018	11.30 a.m.	Survey No. 359/B, 359/C, 361 & 362, Rakhial - 382315, Taluka – Dehgam, Dist. Gandhinagar

During last three Annual General Meetings, following special resolutions were passed:

1. Re-appointment of Shri Rajesh B. Shah as an Independent Director. (Annual General Meeting Dated 25.09.2018)
2. Re-appointment of Shri Prem Chand Surana as an Independent Director. (Annual General Meeting Dated 25.09.2018)
3. Re-appointment of Smt. Rutva Acharya as an Independent Director. (Annual General Meeting Dated 25.09.2018)

One EGM was conducted on 21.05.2019 to consider reclassification of promoters.

During last three years no resolution is passed through Postal Ballot. No resolution is proposed to be conducted through Postal Ballot as on date.

#### 10) Means of Communication

1. Quarterly results are published in leading daily newspapers viz. Financial Express / Indian Express and a local language newspaper viz. Financial Express/Nav Gujarat Samay. The annual reports are circulated to all the members of the Company electronically, whose e-mail ids are registered with depository participant and with the Company only.
2. Management Discussion & Analysis, forms part of this Annual Report, which is also being posted to all the members of the Company.
3. The official news releases, if any, are given directly to the press and simultaneously to the Stock Exchange.
4. The Company sends its financial results, Shareholding pattern and other information to BSE Limited. They upload this information on their website. i.e. www.bseindia.com. The said information is also available on the company's website [www.madhusudan-india.com](http://www.madhusudan-india.com).

#### 11) General Shareholders' Information

##### 1. Annual General Meeting

Date and Time : 16<sup>th</sup> September, 2021 at 11:30 a.m.

Venue : The company is conducting meeting through VC/OAVM pursuant to the MCA circular dated 5th May, 2020 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.

##### 2. Financial Calendar 2021-22 (tentative):

Annual General Meeting	By 3rd / 4th week of September, 2022
<u>Results for quarter ending</u>	<u>By 15th day of</u>
June 30, 2021	August, 2021
September 30, 2021	November, 2021
December 31, 2021	February, 2022
March 31, 2022 (Audited)	By 29 <sup>th</sup> day of May, 2022

##### 3. Dividend payment

Due to carry forward loss of previous years, no dividend is recommended by the Board of Directors for the year ended 31.03.2021.

##### 4. Listing on Stock Exchange

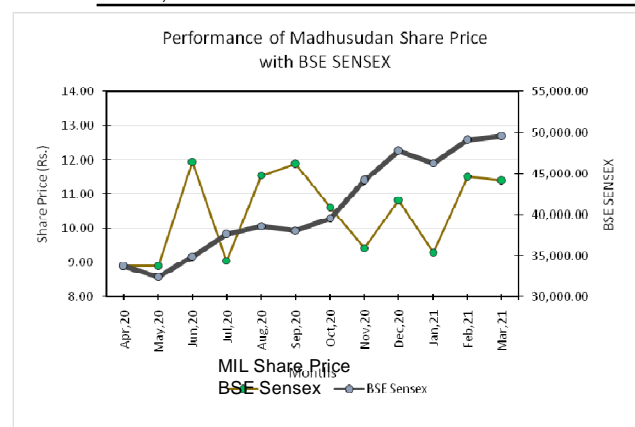
The Company's shares are listed at BSE Limited, 1st Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort Mumbai - 400 001. The company has paid listing fees for the year 2019-20 and 2020-21 to the Stock Exchange.

Listing details of the shares of the Company at the Stock Exchange is as under:

BSE Limited : Stock Code : 515059  
Scrip ID : MADHUDIN

##### 5. Share price at BSE Ltd.

Month	High (Rs.)	Low (Rs.)
April, 2020	8.90	8.90
May, 2020	8.90	8.90
June, 2020	11.95	8.95
July, 2020	13.79	9.04
August, 2020	11.55	8.65
September, 2020	13.12	10.91
October, 2020	12.30	10.12
November, 2020	10.43	9.03
December, 2020	11.48	9.51
January, 2021	11.37	9.30
February, 2021	12.78	8.84
March, 2021	12.71	10.45



## Annual Report 2020-2021

Share Transfer Agent. Request for Share transfer, dematerialization and re-materialization should be sent directly to MCS Share Transfer Agent Limited, 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009. Shareholders have option to open their accounts with either NSDL or CDSL as the Company has entered into agreements with both of these depositories.

### 7. Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition or redelivery of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Board has delegated the authority for approving transfer, transmission etc. to the Transfer Committee.

The Company obtains half-yearly certificate from a Company Secretary in Practice confirming the issue of share certificates, sub-division, consolidation, transmission etc., and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of SEBI Listing Regulations, 2015. Further, the Compliance Certificate under Regulation 7(3) of the SEBI Listing Regulations, 2015 confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Securities and Exchange Board of India is also submitted to the Stock Exchanges on a half yearly basis.

As per SEBI notification SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 read with SEBI Press Release dated 3rd December, 2018, the requests for effecting transfer of securities (except in case of transmission, transposition or re-lodgment of securities) is not being processed after 31st March, 2019, unless the securities are held in the dematerialized form with the depositories.

### 8. Distribution of Shareholding as on 31.03.2021

Shares	Total No. of Shares	No. of Shareholders
1 – 500	5,91,696	4731
501 – 1,000	1,01,231	124
1,001 – 2,000	99,370	65
2,001 – 3,000	70,121	28
3,001 – 4,000	32,919	9
4,001 – 5,000	41,063	9
5,001 – 10,000	1,12,570	15
10,001 – 50,000	2,67,518	13
50,001 – 1,00,000	3,20,483	4
1,00,001 And Above	37,38,029	11
<b>Total</b>	<b>53,75,000</b>	<b>5009</b>

### 9. Pattern of Shareholding as on 31.03.2021.

Sr. No.	Category	No. of Shares	(%) of Shares
1.	Promoters	27,46,401	51.10
2.	Financial Institutions/ Banks/ Insurance Companies	2,71,117	5.04
3.	Mutual Funds/UTI	275	0.01
4.	NRIs	1,675	0.03
5.	Bodies Corporate	6,74,200	12.54
6.	Indian Public	16,81,332	31.28
	<b>Total</b>	<b>53,75,000</b>	<b>100.00</b>

### 10. Dematerialisation of Shares as on 31.03.2021

As on 31.03.2021, 93.43% of the Company's total shares representing 50,22,016 Shares were held in dematerialized form and the balance 6.57% representing 3,52,984 shares were in paper form.

The ISIN Number in NSDL and CDSL is "INE469C01023".

### 11. Secretarial Audit for reconciliation of Capital

Pursuant to SEBI (Depositories and Participants) Regulations, 2018, a practicing company secretary has carried out the Secretarial Audit for all the quarters of Financial Year 2020-21. The Audit Reports confirm that there is no discrepancy in the issued, listed and admitted capital of the Company.

12. There are no outstanding Global Depository Receipts or American Depository Receipts or warrants or convertible instruments in the Company.

### 13. Plant Locations

Presently there is no operational plant of the Company.

The Company's Registered Office is situated at the following place:

Survey No. 359/B, 359/C, 361 & 362,  
Rakhial – 382315, Taluka – Dehgam,  
Dist. Gandhinagar.

### 14. Address for Correspondence

The Company's Registered Office is situated at Survey No. 359/B, 359/C, 361 & 362, Rakhial, Tal. – Dehgam, Dist. Gandhinagar – 382315. Shareholders' correspondence should be addressed either to the Registered Office of the Company as stated above or Ahmedabad Office at "Madhusudan House", Opp. Navrangpura Telephone Exchange, Ahmedabad - 380006 or to the Registrar and Share Transfer Agent, MCS Share Transfer Agent Limited, 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009, Contact No. 079-26580462, Email : [mcsstaahmd@gmail.com](mailto:mcsstaahmd@gmail.com).

The Company has partly adopted non-mandatory requirements.

15. The Company has received Certificate from Parikh Dave & Associates, Practicing Company Secretaries certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/ Ministry of Corporate Affairs or any such statutory Authority. The same is attached as annexure to this report.



16. No Preferential allotment of the shares, made during the F.Y. 2020-21
17. During the year, Total fees of Rs.30,000/- have been paid to Statutory Auditors, Shailesh Shah & Associates, Chartered Accountants by the Company.
18. No complaint under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,2013 has been received by the company during the financial year 2020-21.

## 12) Other Disclosures

1. There were no transactions of material nature with the directors or the management or their subsidiaries or relatives etc. during the year, which could have potential conflict with the interests of the Company at large.
2. Disclosure of Accounting Treatment: These Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. The Financial Statements up to and for the year ended 31st March, 2021 were prepared to comply in all material aspects with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. The previous year figures have been regrouped/ reclassified or restated as per Ind AS, so as to make the figures comparable with the figures of current year.
3. There were no instances of non-compliance, penalty or strictures imposed on the company by Stock Exchange, SEBI or other statutory authority of any matter related to the capital market, during the last three years.
4. Vigil Mechanism (Whistle Blower Policy): The Company has implemented a Vigil Mechanism (Whistle Blower Policy) and is posted on the Company's website i.e. [www.madhusudan-india.com](http://www.madhusudan-india.com) and no person is denied access to the Audit Committee.
5. The Company has partly adopted non-mandatory requirements. The company has no managing director. The company is having unmodified audit opinion. The Internal Auditor may report directly to the audit committee. The Company is complying with applicable Secretarial Standards.

6. The company has no subsidiary.
7. Related Party Transactions

All transactions entered into with Related parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length basis and approved by the Audit Committee and the Board of Directors. There were no materially significant transactions with related parties during the financial year which were in the conflict of interest of the Company.

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company i.e. [www.madhusudan-india.com](http://www.madhusudan-india.com).

8. Commodity Risk or Foreign Exchange Risk : The Company is not dealing in any activity which may have commodity price risk or Foreign Exchange risk or undertaken hedging activities.
9. There is no instance where the Board has not accepted any recommendation of any committee of the Board, which is mandatorily required in the financial year 2020-21.
10. CEO and CFO certification  
As per Regulation 17(8) and Part-B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from CEO and CFO has been obtained.
11. The Company has no unclaimed shares, as the Company has not offered/issued any shares to the public since 1993.

For and on behalf of the Board of Directors,

Ahmedabad  
15<sup>th</sup> June 2021

**Rajesh B. Shah (DIN : 00607602)**  
**P. C. Surana (DIN : 06508125)**  
**P. K. Shashidharan (DIN : 06506263)**  
**Rutva Acharya (DIN : 06933478)**  
Directors

**C E R T I F I C A T E**

To,  
The Members,  
**MADHUSUDAN INDUSTRIES LIMITED**  
**CIN: L29199GJ1945PLC000443**

We have examined relevant registers, records, forms, returns and disclosures in respect of the Directors of **MADHUSUDAN INDUSTRIES LIMITED** (the Company) having its registered office situated at Survey No. 359/B, 359/C, 361 & 362, Tal.: Dehgam, Rakhial-382315, Gujarat which were produced before us by the Company (including receipt of documents by way of electronic means on account of ongoing pandemic of Covid - 19) for the purpose of issuing a certificate as stipulated in Regulation 34 (3) read with Clause (10) (i) of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

In our opinion and to the best of our information and on the basis of the verification of the above stated documents (including the status of Directors Identification Number - DIN at the portal of Ministry of Corporate Affairs - MCA [www.mca.gov.in](http://www.mca.gov.in)), we hereby certify that none of the Directors on the Board of the Company as on 31.03.2021 have been debarred or disqualified from being appointed or continuing as a Directors of the Company by the Board i.e. Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such statutory authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the basis of verification of documents produced before us and made available to us.

**FOR PARIKH DAVE & ASSOCIATES**  
**COMPANY SECRETARIES**  
**ICSI Unique Code No.: P2006GJ009900**  
**Peer review Certificate No.: 796/2020**

**UMESH G. PARIKH**  
**PARTNER**  
**FCS No.: 4152 C. P. No.: 2413**  
**UDIN: F004152C000456549**

**Place : Ahmedabad**  
**Date : 15.06.2021**



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**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
**MADHUSUDAN INDUSTRIES LIMITED**  
**CIN: L29199GJ1945PLC000443**

We have examined all relevant records of **MADHUSUDAN INDUSTRIES LIMITED** for the purpose of certifying compliance of conditions of Corporate Governance as stipulated under para C and D of Schedule V read with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on March 31, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. This certificate is neither an assurance as to the further viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

On the basis of the examination of the records produced (including receipt of documents by way of electronic means on account of ongoing pandemic of Covid - 19), explanations and information furnished, we certify that the Company has generally complied with the mandatory conditions of the Corporate Governance as stipulated in para C of Schedule V read with Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Since the paid-up share capital and net worth of the Company do not exceed Rupees Ten Crore and Rupees Twenty-Five Crore respectively as on the last day of previous financial year, the compliance with the Corporate Governance provisions as specified in Regulation 17 to 27 and Clauses (b) to (i) and (t) of Regulation 46(2) and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall not apply to the Company. However, as a good corporate governance practice, the Company has been complying with the aforesaid provisions / regulations voluntarily.

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

**FOR PARIKH DAVE & ASSOCIATES**  
**COMPANY SECRETARIES**  
**ICSI Unique Code No.: P2006GJ009900**  
**Peer review Certificate No.: 796/2020**

**UMESH PARIKH**  
**PARTNER**

**FCS No.: 4152**  
**C. P. No.: 2413**

**UDIN: F004152C000456582**

Place : Ahmedabad  
Date : 15<sup>th</sup> June, 2021

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**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to certify that the Company has laid down Code of Conduct for Board Members and Senior Management of the Company.

In terms of the requirement of Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all members of the Board and the Senior Management Personnel have affirmed compliance with Code of Conduct for the year ended 31<sup>st</sup> March, 2021.

For **Madhusudan Industries Limited**

Place : Ahmedabad  
Date : 15<sup>th</sup> June, 2021

**Thomas Koshy**  
Chief Executive Officer

**Form No. MR-3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

To,  
The Members,  
**MADHUSUDAN INDUSTRIES LIMITED**  
CIN: L29199GJ1945PLC000443  
Survey No. 359/B, 359/C, 361 & 362,  
Tal.:Dehgam, Rakhial - 382315

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Madhusudan Industries 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 our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives whether electronically or otherwise during the conduct of secretarial audit; we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 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 on March 31, 2021 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (During the year under review not applicable to the Company);
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable during the year under review;
  - (d) The Securities and Exchange Board of India (Share Based Employees Benefits), Regulations, 2014 - Not applicable during the year under review;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable during the year under review;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable during the year under review;
  - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 - Not applicable during the year under review;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable Standards / Clauses / Regulations of the following:

- (i) Secretarial Standards issued by The Institute of the Company Secretaries of India (ICSI) and made effective from time to time.
- (ii) The Uniform Listing Agreement entered into by the Company with BSE Limited (BSE).

Since the paid-up share capital and net worth of a Company do not exceed Rupees Ten Crore and Rupees Twenty Five Crore respectively as on the last day of previous financial year, the compliance with the Corporate Governance provisions as specified in Regulation 17 to 27 and Clauses (b) to (i) and (t) of Regulation 46(2) and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall not apply to the Company for the financial year 2020-21. However, as a good corporate governance practice, the Company has been complying with the aforesaid provisions / regulations voluntarily.

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

**We further report that:**

Having regard to the compliance system prevailing in the Company and on examination of relevant documents and records in pursuance thereof on test - check basis, the Company has generally complied with the material aspects of the following laws specifically applicable to the Company:

1. The Indian Contract Act, 1872
2. Registration Act, 1908
3. The Bombay Stamp Act, 1958

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Women Independent Director. The changes in the composition of Board that took place during the year under review were carried out in Compliance of the provisions of Act.

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

Decisions at the meetings of Board of Directors/ Committees of the Company were carried unanimously. We were informed that there were no dissenting views of the members on any of the matters during the year that were required to be captured and recorded as part of the minutes.

**We further report that:**

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit and compliance certificate(s) placed before the Board Meetings, we are of the opinion 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 general laws, rules, regulations and guidelines.

**We further report that:**

The Compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws, has not been reviewed in this Audit since the same have been subject to the review by the Statutory Auditors and other designated professionals.

**We further report that:**

During the Audit period under review, the material event in pursuance of the above mentioned laws, rules, regulations, guidelines, standards, etc. is as mentioned below:

The Company has received an e-mail dated 19<sup>th</sup> June, 2020 from BSE Limited approving reclassification of Status of following from Promoter & Promoter Group Category to Public Category and consequently their holding is reclassified under Public Category:

Sr. No.	Name	No. of shares	% age
1.	Madhusudan Holdings Limited	4,40,600	8.20

Apart from the above there were no other instances of:

- a) Public/Right issue of shares/ debentures/sweat equity etc.
- b) Redemption / buy-back of securities.
- c) Obtaining the approval from shareholders under Section 180 of the Companies Act, 2013.
- d) Merger / amalgamation / reconstruction, etc.
- e) Foreign technical collaborations.

**FOR PARIKH DAVE & ASSOCIATES**  
**COMPANY SECRETARIES**  
ICSI UNIQUE CODE NO.: P2006GJ009900  
PEER REVIEW CERTIFICATE NO.: 796/2020

**Place : Ahmedabad**  
**Date : 15.06.2021**

**UMESH PARIKH**  
**PARTNER**  
**PRACTICING COMPANY SECRETARY**  
FCS No. 4152  
C P No. 2413  
UDIN: F004152C000456593

**Notes:**

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

**ANNEXURE - A**

To,  
The Members,

**MADHUSUDAN INDUSTRIES LIMITED**

CIN: L29199GJ1945PLC000443

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

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

**FOR PARIKH DAVE & ASSOCIATES  
COMPANY SECRETARIES  
ICSI UNIQUE CODE NO.: P2006GJ009900  
PEER REVIEW CERTIFICATE NO.: 796/2020**

**Place : Ahmedabad  
Date : 15.06.2021**

**UMESH PARIKH  
PARTNER  
PRACTICING COMPANY SECRETARY  
FCS No. 4152  
C P No. 2413  
UDIN: F004152C000456593**



## Independent Auditors' Report

To,  
The Members of **Madhusudan Industries Limited**

### Report on the Audit of Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Madhusudan Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, the statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2021, and its profit, (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis of Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Contingent Liabilities

Claims against the Company not acknowledged as debts is disclosed in note no. 25A of the financial statements. The existence and probability of payments against these claims requires management judgment to ensure disclosure of most appropriate values of contingent liabilities.

Due to level of judgment required relating to estimation and presentation of contingent liabilities, this is considered to be a key audit matter.

#### Auditor's Response

Our audit procedure included, among others, assessing the appropriateness of the management's judgment in estimating the value of claims against the Company not acknowledged as debts as given in note no. 25A.

We have obtained details of completed tax assessments and demands / claims as at 31<sup>st</sup> March 2021 from the management. We assessed the completeness of the details of these claims through discussion with senior management personnel. We have also reviewed the outcome of the disputed cases at various forums. We have also assessed the appropriateness of presentation of the contingent liabilities in the financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare

circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 financial statements – Refer note no. 25 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For, Shailesh Shah & Associates**  
Chartered Accountants  
ICAI Firm Reg. No. 109877W

**CA. Shailesh A. Shah**  
Proprietor

Place : Ahmedabad  
Date : 15<sup>th</sup> June 2021

Membership No. 32205  
UDIN: 21032205AAAAAK6175



**Annexure – A to Independent Auditors’ Report**

Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of **MADHUSUDAN INDUSTRIES LIMITED** on the financial statements as of and for the year ended 31<sup>st</sup> March 2021.

1. In respect of its fixed assets :
  - (a) The company has maintained proper records, showing full particulars including quantitative details and situation of its fixed assets.
  - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed in respect of the assets physically verified.
  - (c) The title deeds of immovable properties are held in the name of the company.
2. As explained to us, the company does not hold any physical inventories during the year. Thus paragraph 3(ii) of the Order is not applicable to the Company.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
4. According to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Act, wherever applicable, in respect of loans, investments, guarantees and securities given by the company.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
6. In our opinion and according to the information and explanations given to us, the company is not required to maintain cost records specified by the Central Government under sub-section (1) of section 148 of the Act.
7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income-tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Service Tax, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> of March 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, following disputed statutory dues have not been

deposited on account of disputed matters pending before appropriate authorities are as under:

Sr. No.	Name of Statute	Nature of Dues	Forum where dispute is pending	Amount Rs. (In Lacs)
1	Gujarat Sales Tax Act	Sales-tax	Honourable Gujarat High Court	139.34

8. The company does not have any loans or borrowings from any financial institution, bank government or debenture holders during the year. Accordingly, paragraph 3(viii) of the order is not applicable.
9. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approval mandated by the provisions of section 197 read with schedule V to the Act.
12. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
16. According to information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For, Shailesh Shah & Associates**  
Chartered Accountants  
ICAI Firm Reg. No. 109877W

**CA. Shailesh A. Shah**  
Proprietor  
Membership No. 32205  
UDIN: 21032205AAAAAK6175

Place : Ahmedabad  
Date : 15<sup>th</sup> June 2021

## **Annual Report 2020-2021**

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

Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' Section of our Report of even date to the members of **MADHUSUDAN INDUSTRIES LIMITED** on the financial statements for the year ended 31<sup>st</sup> March 2021.

### **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 MADHUSUDAN INDUSTRIES LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

### **Auditors Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to and 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 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, 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 details, 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 authorities of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2021, based on the internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For, Shailesh Shah & Associates**

Chartered Accountants  
ICAI Firm Reg. No. 109877W

**CA. Shailesh A. Shah**

Proprietor

Membership No. 32205

UDIN: 21032205AAAAAK6175

Place : Ahmedabad

Date : 15<sup>th</sup> June 2021



**Balance Sheet as at 31<sup>st</sup> March, 2021**

Particulars	Note No.	As at 31 <sup>st</sup> March, 2021 Rs.	As at 31 <sup>st</sup> March, 2020 Rs.
<b>ASSETS</b>			
<b>(A) Non-current assets:</b>			
(1) Property, Plant and Equipment	2	2,01,87,356	2,11,89,040
(2) Financial Assets			
(a) Investments	3	8,74,84,197	5,54,36,774
(b) Others Financial Assets	4	6,51,879	6,53,259
(3) Other non-current assets	5	20,24,778	20,24,778
<b>(B) Current assets</b>			
(1) Financial Assets			
(a) Investments	6	4,16,24,217	3,23,22,465
(b) Trade receivables		-	-
(c) Cash and cash equivalents	7	54,20,762	41,71,736
(d) Bank balances other than (c) above	8	4,36,35,710	4,11,85,767
(e) Loans	9	2,57,11,362	2,21,18,769
(2) Current Tax Assets (Net)	10	18,94,407	30,34,353
(3) Other current assets	11	28,81,356	30,03,240
<b>TOTAL ASSETS</b>		<b><u>23,15,16,024</u></b>	<b><u>18,51,40,181</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>(A) EQUITY</b>			
(1) Equity Share capital	12	2,68,75,000	2,68,75,000
(2) Other Equity	13	18,41,73,556	14,82,50,659
<b>(B) LIABILITIES</b>			
(1) Non-current liabilities			
(a) Financial Liabilities			
Other financial liabilities	14	20,29,157	20,29,157
(b) Provisions	15	1,36,906	1,17,683
(c) Deferred tax liabilities (Net)	16	1,58,59,786	53,08,722
(2) Current liabilities			
(a) Financial Liabilities		-	-
(b) Other current liabilities	17	1,87,578	2,08,334
(c) Provisions	18	22,54,041	23,50,626
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>23,15,16,024</u></b>	<b><u>18,51,40,181</u></b>
Summary of significant accounting policies	1		

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

As per our report of even date attached  
For and on behalf of  
**Shailesh Shah & Associates**  
ICAI Firm Registration No. 109877W  
Chartered Accountants  
**C. A. Shailesh A. Shah**  
Proprietor  
Membership No. 32205

**Thomas Koshy**  
C.E.O.  
**Tarun Panchal**  
C.F.O.  
**Neha Singh**

Company Secretary  
Mem. No. ACS 55606

**Rajesh B. Shah** (DIN : 00607602) Director  
**P. K. Shashidharan** (DIN : 06506263) Director  
**P. C. Surana** (DIN : 06508125) Director  
**Rutva Acharya** (DIN : 06933478) Director

Place : Ahmedabad  
Date : 15<sup>th</sup> June, 2021

Place : Ahmedabad  
Date : 15<sup>th</sup> June, 2021

Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2021

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2021 Rs.	For the year ended 31 <sup>st</sup> March, 2020 Rs.
<b>Incomes</b>			
Revenue From Operations	19	91,31,355	1,02,86,899
Other Income	20	4,93,10,834	67,93,088
<b>Total Income</b>		<u>5,84,42,189</u>	<u>1,70,79,987</u>
<b>Expenses</b>			
Employee benefits expense	21	53,12,884	51,49,473
Finance costs		-	-
Depreciation and amortization expense	2	10,01,684	10,77,864
Other expenses	22	42,75,385	2,44,54,650
<b>Total expenses</b>		<u>1,05,89,953</u>	<u>3,06,81,987</u>
<b>Profit/(loss) before exceptional items and tax</b>		4,78,52,236	(1,36,02,000)
Exceptional Items		-	-
<b>Profit/(loss) before tax</b>		4,78,52,236	(1,36,02,000)
Tax expense:			
Current tax		15,00,000	11,15,000
Deferred tax		1,05,19,415	(49,61,599)
<b>Profit/(loss) for the period</b>		<u>3,58,32,821</u>	<u>(97,55,401)</u>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss		1,21,725	(1,68,153)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(31,649)	43,720
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Comprehensive Income for the period</b>		<u>3,59,22,897</u>	<u>(98,79,834)</u>
<b>Earnings per equity share</b>			
(1) Basic		6.67	(1.81)
(2) Diluted		6.67	(1.81)

See accompanying notes to the financial statements

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

As per our report of even date attached  
For and on behalf of

**Shailesh Shah & Associates**

ICAI Firm Registration No. 109877W  
Chartered Accountants

**C. A. Shailesh A. Shah**

Proprietor  
Membership No. 32205

**Thomas Koshy**  
C.E.O.

**Tarun Panchal**  
C.F.O.

**Neha Singh**

Company Secretary  
Mem. No. ACS 55606

**Rajesh B. Shah** (DIN : 00607602) Director

**P. K. Shashidharan** (DIN : 06506263) Director

**P. C. Surana** (DIN : 06508125) Director

**Rutva Acharya** (DIN : 06933478) Director

Place : Ahmedabad  
Date : 15<sup>th</sup> June, 2021

Place : Ahmedabad  
Date : 15<sup>th</sup> June, 2021

**Statement for changes in Equity for the period ended on 31<sup>st</sup> March, 2021**

(Equity Share Capital and Other Equity (Refer Note 12 &amp; 13))

**A. Equity Share Capital**

Particulars	No. of Shares	Amount (Rs.)
Balance at the beginning of the reporting period	53,75,000	2,68,75,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	53,75,000	2,68,75,000

**B. Other Equity**

Particulars	Reserves and Surplus		Other Comprehensive Income	Total Other Equity
	General Reserves	Retained Earnings		
	Rs.	Rs.	Rs.	Rs.
<b>Balance as on 1<sup>st</sup> April, 2019</b>	<b>17,11,30,705</b>	<b>(1,25,15,424)</b>	<b>(4,84,788)</b>	<b>15,81,30,493</b>
Profit for the year	-	(97,55,401)	-	(97,55,401)
Remesurement of Defined Benefit Plan	-	-	(1,24,433)	(1,24,433)
<b>Balance as on 31<sup>st</sup> March, 2020</b>	<b>17,11,30,705</b>	<b>(2,22,70,825)</b>	<b>(6,09,221)</b>	<b>14,82,50,659</b>
Profit for the year	-	3,58,32,821	-	3,58,32,821
Remesurement of Defined Benefit Plan	-	-	90,076	90,076
<b>Balance as on 31<sup>st</sup> March, 2021</b>	<b>17,11,30,705</b>	<b>1,35,61,996</b>	<b>(5,19,145)</b>	<b>18,41,73,556</b>

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

As per our report of even date attached  
For and on behalf of  
**Shailesh Shah & Associates**  
ICAI Firm Registration No. 109877W  
Chartered Accountants  
**C. A. Shailesh A. Shah**  
Proprietor  
Membership No. 32205

**Thomas Koshy**  
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Place : Ahmedabad  
Date : 15<sup>th</sup> June, 2021

Place : Ahmedabad  
Date : 15<sup>th</sup> June, 2021

Cash Flow Statement for the year ended 31<sup>st</sup> March, 2021

Particulars	Year ended 31 <sup>st</sup> March, 2021		Year ended 31 <sup>st</sup> March, 2020	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash flow from operating activities</b>				
Profit before tax		4,78,52,236		(1,36,02,000)
Adjusted for				
- Depreciation and amortisation expense	10,01,684		10,77,864	
- Interest Income	(52,06,424)		(49,62,234)	
- Dividend Income	(33,687)		(5,16,932)	
- Profit on Sale of Investments	(62,031)		(2,99,847)	
- Premium Expenses on Securities	2,61,708		82,642	
- Net Gain / Loss arising on Financial Assets measured at Fair Value through Profit and Loss (FVTPL)	(4,40,02,469)		1,94,71,410	
- Provision for Impairment in Value of Investment	20,45,657		(10,13,851)	
		<u>(4,59,95,562)</u>		<u>1,38,39,052</u>
Operating profit before working capital changes		18,56,674		2,37,052
Adjustments for changes in working capital				
- Trade Receivable	-		1,414	
- Financial Assets	(60,41,156)		(62,71,335)	
- Other Assets	1,21,884		9,31,459	
- Other Liabilities	1,00,969		(2,52,829)	
- Provisions	(77,362)		3,47,185	
		<u>(58,95,665)</u>		<u>(52,44,106)</u>
Cash generated from Operating Activities		<u>(40,38,991)</u>		<u>(50,07,054)</u>
Direct taxes paid (Net of Refund)		<u>(3,60,054)</u>		<u>(15,16,741)</u>
Net Cash From Operating Activities		<u>(43,99,045)</u>		<u>(65,23,795)</u>
<b>B. Cash flow from Investing activities</b>				
Purchase of Non-Current Investments	-		(1,20,07,583)	
Sale of Non-Current Investments	1,00,303		20,00,000	
Purchase of Current Investments	-		(55,62,027)	
Sale of Current Investments	3,07,657		1,58,21,801	
Interest received	52,06,424		49,62,234	
Dividend received	33,687		5,16,932	
Net Cash Used in Investing Activities		<u>56,48,071</u>		<u>57,31,357</u>
<b>C. Cash flow from financing activities</b>				
Net Changes in Cash & Cash Equivalents (A+B+C)		12,49,026		(7,92,438)
Cash & Cash Equivalents - Opening Balance		41,71,736		49,64,174
Cash & Cash Equivalents - Closing Balance		54,20,762		41,71,736

As per our report of even date attached  
For and on behalf of  
**Shailesh Shah & Associates**  
ICAI Firm Registration No. 109877W  
Chartered Accountants  
**C. A. Shailesh A. Shah**  
Proprietor  
Membership No. 32205

**Thomas Koshy**  
C.E.O.

**Tarun Panchal**  
C.F.O.

**Neha Singh**  
Company Secretary  
Mem. No. ACS 55606

**Rajesh B. Shah** (DIN : 00607602) Director

**P. K. Shashidharan** (DIN : 06506263) Director

**P. C. Surana** (DIN : 06508125) Director

**Rutva Acharya** (DIN : 06933478) Director

Place : Ahmedabad  
Date : 15<sup>th</sup> June, 2021

Place : Ahmedabad  
Date : 15<sup>th</sup> June, 2021



**1. Significant Accounting Policies and other Explanatory Information to the Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2021**

**1. Corporate Information**

MADHUSUDAN INDUSTRIES LIMITED (the "Company") is a public limited company domiciled in India having its registered office situated at Survey No. 359 / B, 361 & 362, Rakhial, Pin 382 315, Taluka Dehgam, Dist. Gandhinagar, India. The Company was incorporated on 27<sup>th</sup> August 1945, under the provisions of the Companies Act, 1918 of Baroda State applicable in India and its equity shares are listed on the BSE Limited. The Company is engaged presently in the business of Leasing of properties and providing ancillary services.

**2. Basis of Preparation of Financial Statements**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention method on accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Companies Act, 2013 (Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016.

**3. Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, loans and other financial and non-financial assets and liabilities. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements

**4. Significant Accounting Policies**

**A. Revenue Recognition**

Revenue is recognized on a fair value basis to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Rendering of Services

Revenue from services are recognized as they are rendered based on arrangements with the customers.

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Dividend Income

Dividend income is recognized when the Company's right to receive such dividend is established.

**B. Property, Plant and Equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognized.

The Company had elected to continue with the carrying value of all its property, plant and equipment recognized as on 1<sup>st</sup> April 2016 measured as per previous GAAP as deemed cost on the date of transition.

Depreciation is calculated on cost of items of property, plant and equipment (other than freehold land) less their estimated residual values over their estimated useful lives using the straight-line method for plant & Machinery and written down value method for all other property, plant and equipment and is generally recognized in the statement of profit and loss.

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year and adjusted prospectively, if appropriate.

**C. Intangible Assets**

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the asset for its intended use, less accumulated amortization and accumulated impairment losses, if any. Intangible assets (Computer Software) with finite lives are amortised over the useful economic life (not exceeding five years) and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

An item of intangible assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on recognition of the asset is included in the Statement of Profit or Loss when the asset is derecognized.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year and adjusted prospectively, if appropriate.

**D. Leases**

Leases where significant portion of risk and reward of ownership are retained by the lessor, are classified as operating leases and lease payments are recognized as an expense on a straight line basis in Statement of Profit and Loss over the lease term.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognized in finance cost in the statement of profit and loss.

**E. Current versus Non-Current Classification**

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

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

All other assets are classified as non-current.

A Liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

**F. Measurement of Fair Value**

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

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

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

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

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

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

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

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – input for the asset or liability that are not based on observable market data (unobservable inputs).

## **G. Financial Instruments**

### **I. Initial Recognition and Measurement**

The company recognizes financial assets and liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognized on the trade date.

### **II. Subsequent Measurement**

#### **A. Non-Derivative Financial Instruments**

##### **a. Financial Assets Carried at Amortised Cost**

A financial asset is subsequently 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.

##### **b. Financial Assets at Fair Value Through Other Comprehensive Income**

A financial asset is subsequently measured at fair value through other comprehensive income 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.

##### **c. Financial Assets at Fair Value Through Profit or Loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss.

The company has made an irrevocable election for its Non-current and Current investments which are classified as equity instruments to present the subsequent changes in fair value in statement of profit and loss on its business model. Further in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in statement of profit and loss account

##### **d. Financial Liabilities**

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **III. Derecognition of Financial Instruments**

The company derecognizes a financial asset when the contractual right to receive the cash flows from the financial asset expire or it transfers the financial asset.

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

## **H. Foreign Currency**

### **· Functional Currency**

Financial statements of the Company's are presented in Indian Rupees, which is the functional currency.

### **· Transactions and Translations**

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. Transaction gain or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gain and losses are presented in the statement of profit and loss on net basis within other gains / (losses).

## **I. Borrowing Costs**

Borrowing costs, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use, are capitalized as part of the cost of the respective asset. All other borrowing costs are charged in the period, in which they occur in the statement of profit and loss.

## **J. Employee Benefits**

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the period in which the related service is rendered.

Post-employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the period in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Gains and losses through re-measurements of the net defined benefit liability / (assets) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized on other comprehensive income. The effects of any plan amendments are recognized in the statement of profit and loss.

**K. Income Tax**

Income tax comprises current and deferred income tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent there is reasonable certainty that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**L. Earning Per Share**

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

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

**M. Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the financial statements. A contingent asset is neither recognized nor disclosed if inflow of economic benefit is probable.

**N. Impairment**

**I. Financial Assets**

The Company recognizes loss allowance using the expected credit losses (ECL) model for the financial assets which are not fair valued through statement of profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

**II. Non-Financial Assets**

**Intangible Assets and Property, Plant and Equipment**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

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

**O. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

**P. Cash Flow Statement**

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non cash nature, any deferral or accruals of past and future operating cash receipts or payments and items or income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financial activities of the Company are segregated.



## Annual Report 2020-2021

Particulars		As at 31 <sup>st</sup> March 2021 Rs.	As at 31 <sup>st</sup> March 2020 Rs.	
<b>3 INVESTMENTS</b>				
<b>Non- Current Investments</b>				
Quoted Equity Instruments		7,74,42,453	4,52,76,862	
Quoted Preference Shares		342	531	
Unquoted Equity Instruments		23,800	23,800	
Unquoted Mutual Funds		3,35,256	1,91,527	
Unquoted Debentures & Bonds		96,50,346	99,12,054	
Unquoted Government Securities		32,000	32,000	
<b>Current Investments</b>				
Mutual Funds		-	-	
<b>Total Investments</b>		<u>8,74,84,197</u>	<u>5,54,36,774</u>	
<b>Market Value of Quoted Investments</b>		<b>8,16,17,390</b>	<b>4,74,06,142</b>	
<b>Aggregate amount of Unquoted Investments</b>		<b>1,00,43,402</b>	<b>1,01,61,381</b>	
<b>Aggregate amount of Quoted Investments</b>		<b>7,74,42,453</b>	<b>4,52,76,862</b>	
<b>Aggregate Amount of Impairment in Value of Investments</b>		<b>41,76,937</b>	<b>21,31,280</b>	
<b>Non-Current Investments</b>				
<b>Quoted Equity Instruments</b>				
Carried at Fair Value through Other Comprehensive Income				
In fully paid Equity Shares of Rs. 10/- each				
<b>As at</b>	<b>As at</b>			
<b>31.03.2021</b>	<b>31.03.2020</b>			
192	(192)	Aditya Birla Fashion Ltd	38,640	29,405
77	(77)	Aditya Birla Capital Ltd	9,194	3,249
1,000	(1,000)	Clutch Auto Ltd	-	-
300	(300)	Dynamatic Forgings India Ltd	-	-
69	(69)	Eurotex Ltd	483	361
10	(10)	Euro Ceramics Ltd	11	4
200	(200)	Gujarat Refractories Ltd	-	-
50	(50)	Hanuman Tea Co Ltd	-	-
400	(400)	I G Petro Ltd	1,65,680	37,040
200	(200)	Lan Esseda Software Systems Ltd	-	-
10	(10)	Nitco Ltd	190	126
300	(300)	Orkey Silk Mills Ltd	-	-
100	(100)	Orient Bell Ltd	20,410	5,555
670	(670)	Premier Ind. (India) Ltd	-	-
1572	(1,572)	Reliance Industries Ltd	31,49,030	17,48,771
1700	(1,700)	SREI Infrastructure Finance Ltd	8,602	6,086
36	(36)	Ultra Tech Cement Ltd	2,42,543	1,17,153
1000	(1,000)	Unicorn Organics Ltd	-	-
200	(200)	Western India Sugar & Chem Ltd	-	-
200	(200)	XLO Machine Ltd	-	-
145	(145)	Tata Communications Ltd	1,54,070	33,814
145	(145)	Hemisphere Properties India Ltd	19,894	-
400	(400)	Melstar Information Tech Ltd	760	880
150	(150)	Avenue Super Marts Limited	4,28,107	3,30,105
1500	(1,500)	Ujjivan Financial Services Ltd	3,15,900	2,22,825
1112	(1,112)	Entegra Ltd	-	-
150	(150)	MW Unitex Ltd	1,500	-
			<u>45,55,014</u>	<u>25,35,374</u>
In fully paid Equity Shares of Rs. 5/- each				
18,065	(18,065)	Cera Sanitaryware Ltd	7,05,32,083	4,16,95,827
300	(300)	Shree Rama Multi-Tech Ltd	3,000	1,086
			<u>7,05,35,083</u>	<u>4,16,96,913</u>



Particulars		As at 31 <sup>st</sup> March 2021 Rs.	As at 31 <sup>st</sup> March 2020 Rs.
<b>As at</b>	<b>As at</b>		
<b>31.03.2021</b>	<b>31.03.2020</b>		
In fully paid Equity Shares of Rs. 2/- each			
405	(405) Larsen & Toubro Ltd	5,74,432	3,26,774
415	(415) HSIL Limited	63,703	16,268
415	(415) Somany Home Innovation Limited	1,12,942	28,013
500	(500) Somany Ceramics Ltd	2,12,725	45,500
1000	(1,000) West Coast Paper Mills Ltd	2,40,150	1,28,950
55	(55) Grasim Ltd	79,866	26,147
1400	(1,400) Radico Khaitan Ltd.	7,85,120	3,74,010
145	(145) Bajaj Finance Limited	7,46,590	3,21,327
2500	(2,500) Diary Den Ltd	-	-
		<u>28,15,528</u>	<u>12,66,989</u>
In fully paid Equity Shares of Re. 1/- each			
2,000	(2,000) Electro Steel & Casting Ltd	50,000	18,340
86	(86) Zee Entertainment Enterprises Ltd	17,471	10,664
20	(20) Siticable Network Ltd	17	11
18	(18) Zee News Ltd	115	65
5	(5) Diligent Media Corporation Ltd	4	2
23	(23) Dish TV India Ltd	212	94
11	(11) Zee Learn Ltd	114	134
1600	(1,600) Tata Consumer Products Ltd.	10,21,600	4,71,680
1000	(100) Eicher Motors Ltd.(Face value of Rs. 10/- sub divided into Rs. 1/-)	26,03,750	13,08,720
20	(20) Kajaria Ceramics Ltd	18,482	7,531
		<u>37,11,765</u>	<u>18,17,241</u>
<b>Other Investments - Indian Depository Receipt</b>			
-	(2,500) Standard Chartered PLC	-	89,625
Less: Impairment of Investments		(41,74,937)	(21,29,280)
		<u>7,74,42,453</u>	<u>4,52,76,862</u>
<b>Quoted Preference Shares</b>			
In fully paid Preference Shares of Rs. 10/- each			
180	(180) Zee Entertainment Enterprises Ltd	342	531
		<u>342</u>	<u>531</u>
<b>Unquoted Equity Instruments</b>			
In fully paid Equity Shares of Rs. 10/- each (Unquoted)			
2380	(2380) Alipore Terrace Maintenance Pvt. Ltd	23,800	23,800
		<u>23,800</u>	<u>23,800</u>
<b>Unquoted Mutual Funds</b>			
In Units of Mutual Funds of Rs. 10/- each			
1900	(1,900) UTI Equity Fund	2,81,551	1,58,116
1,427	(1,427) UTI Master Share Fund	53,705	33,411
		<u>3,35,256</u>	<u>1,91,527</u>
<b>Unquoted Debentures &amp; Bonds</b>			
In Fully paid Non - Convertible Debentures			
40	(40) Western India Sugar & Chem Ltd of Rs. 50/- each	2,000	2,000
		<u>2,000</u>	<u>2,000</u>
In Bonds			
9500	(9500) 8.20% Power Finance Corporation Ltd. (Tax Free)	96,50,346	99,12,054
		<u>96,50,346</u>	<u>99,12,054</u>
Less: Impairment of Investments		(2,000)	(2,000)
		<u>96,50,346</u>	<u>99,12,054</u>
<b>Unquoted Government Securities</b>			
(Deposited with Government Departments)			
National Savings Certificates		32,000	32,000
		<u>32,000</u>	<u>32,000</u>

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Particulars	As at 31 <sup>st</sup> March 2021 Rs.	As at 31 <sup>st</sup> March 2020 Rs.
<b>4 OTHER FINANCIAL ASSETS</b> (Unsecured and Considered Good)		
Security Deposits	6,51,879	6,53,259
Total	<u>6,51,879</u>	<u>6,53,259</u>
<b>5 OTHER NON-CURRENT ASSETS</b>		
Taxes and duties recoverable	20,24,778	20,24,778
Total	<u>20,24,778</u>	<u>20,24,778</u>
<b>6 CURRENT INVESTMENTS</b>		
<b>Unquoted Mutual Funds</b>		
Mutual Funds (Units of Rs. 10/- each, unless otherwise specified)		
As at 31.03.2021		As at 31.03.2020
735.781		(802.674)
1.687		(1.687)
0.220		(0.220)
2,03,218.747		(2,03,218.747)
1,183.339		(1,183.339)
3,488.600		(3,488.600)
971.674		(971.674)
37,215.443		(37,215.443)
6,891.727		(6,891.727)
5,552.010		(5,552.010)
1,77,877.389		(1,77,877.389)
1,35,906.886		(1,35,906.886)
31,585.508		(31,585.508)
80,614.400		(80,614.400)
3,488.345		(3,488.345)
Total	<u>4,16,24,217</u>	Total
Aggregate amount of quoted investments	4,16,24,217	3,23,22,465
Market Value of quoted investments	4,16,24,217	3,23,22,465
<b>7 CASH AND CASH EQUIVALENTS</b>		
Balance with banks		
- In current accounts	34,77,116	23,63,066
- In Deposits accounts - Original maturity upto 3 months	19,19,721	18,06,828
	<u>53,96,837</u>	<u>41,69,894</u>
Cash on Hand	23,925	1,842
Total	<u>54,20,762</u>	<u>41,71,736</u>
<b>8 BANK BALANCES OTHER THAN ABOVE</b>		
Balance with banks		
- In deposits original maturity of more than three but less than twelve Months	4,36,35,710	4,11,85,767
Total	<u>4,36,35,710</u>	<u>4,11,85,767</u>
<b>9 LOANS</b> (Unsecured and considered good, unless otherwise stated)		
Current		
Inter Corporate Deposits	2,57,11,362	2,21,18,769
Total	<u>2,57,11,362</u>	<u>2,21,18,769</u>



Particulars	As at 31 <sup>st</sup> March 2021 Rs.	As at 31 <sup>st</sup> March 2020 Rs.
<b>10 CURRENT TAX ASSETS (NET)</b>		
Advance Income Tax (including for earlier years)	1,10,66,818	1,17,55,720
Less : Provision for Taxation	(91,72,411)	(87,21,367)
Advance Income Tax (Net of Provisions for tax)	<u>18,94,407</u>	<u>30,34,353</u>
Total	<u>18,94,407</u>	<u>30,34,353</u>
Movement in Income tax balances		
Opening Balance (Tax Asset / Liability) (net)	30,34,353	26,32,612
Current Tax payable for the year	(15,00,000)	(11,15,000)
Taxes paid / (Refund Received)	<u>3,60,054</u>	<u>15,16,741</u>
	<u>18,94,407</u>	<u>30,34,353</u>

Reconciliation of Income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarised below

Particulars	Year Ended 31.03.2021 Rs.	Year Ended 31.03.2020 Rs.
Enacted income tax rate in india applicable to company	25.17	26.00
Profit before tax	4,78,52,236	(1,36,02,000)
Current Tax expenses on Profit before tax expenses at the enacted income tax rate in India	1,20,43,451	(35,36,520)
<b>Items giving rise to difference in tax</b>		
Tax effects of amount which are not taxable in calculating taxable income	(1,05,59,690)	(2,05,460)
Tax effect of amount which are not deductible in calculating taxable income	65,867	47,99,076
Effect of Capital Gains	(3,903)	1,89,701
Others	<u>(45,725)</u>	<u>(1,31,797)</u>
At the effective tax rate	<u>15,00,000</u>	<u>11,15,000</u>
Income tax expenses reported in the statement of profit and loss	15,00,000	11,15,000

Particulars	As at 31 <sup>st</sup> March 2021 Rs.	As at 31 <sup>st</sup> March 2020 Rs.
<b>11 OTHER CURRENT ASSETS</b>		
(Unsecured and Considered Good)		
Interest Accrued on Fixed Deposits & Advances	22,07,027	23,70,471
Others Advances*	<u>6,74,329</u>	<u>6,32,769</u>
Total	<u>28,81,356</u>	<u>30,03,240</u>

\*Other Advances includes Prepaid Expenses etc.

<b>12 EQUITY SHARE CAPITAL</b>		
<b>A Authorised</b>		
2,60,00,000 (2,60,00,000) Equity Shares of Rs. 5/- each	13,00,00,000	13,00,00,000
<b>Issued, Subscribed and Paid Up</b>		
53,75,000 (53,75,000) Equity Shares of Rs. 5/- each fully paid	<u>2,68,75,000</u>	<u>2,68,75,000</u>
Total	<u>2,68,75,000</u>	<u>2,68,75,000</u>

**B** Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

Equity Shares	As at 31 <sup>st</sup> March 2021 No. of Shares	As at 31 <sup>st</sup> March 2020 No. of Shares
Shares Outstanding at the beginning of the year	53,75,000	53,75,000
Add: Shares Issued during the year	-	-
Shares Outstanding at the end of the year	<u>53,75,000</u>	<u>53,75,000</u>

**C** The company has only one class of equity shares having a par value of Rs. 5/- per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding. The Company declares and pays dividends in Indian Rupees.

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**D** The company has neither issued nor bought back any shares during the year.

**E** Details of shareholders holding more than 5% of the shares in the Company

Name of the Shareholder	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1 Vikram Investment Company Private Limited	9,36,640	17.43	9,36,640	17.43
2 Madhusudan Holdings Ltd.	4,40,600	8.20	4,40,600	8.20
3 Smt. Smiti Somany	6,13,120	11.41	6,13,120	11.41
4 Shri Vikram Somany	5,38,979	10.03	5,38,979	10.03

Particulars	As at 31 <sup>st</sup> March 2021 Rs.	As at 31 <sup>st</sup> March 2020 Rs.
<b>13 OTHER EQUITY</b>		
<b>General Reserve</b>		
Balance as at the beginning of the Year	17,11,30,705	17,11,30,705
Less: Transfer to Depreciation Fund	-	-
Balance as at end of the year	17,11,30,705	17,11,30,705
<b>Retained Earnings</b>		
Balance as at the beginning of the Year	(2,22,70,825)	(1,25,15,424)
Add: Net Profit for the Year	3,58,32,821	(97,55,401)
Balance as at end of the year	1,35,61,996	(2,22,70,825)
<b>Other Comprehensive Income</b>		
Remeasurement of Defined Benefit Plans		
Balance as at the beginning of the year	(6,09,221)	(4,84,788)
Add: Adjustments during the year	90,076	(1,24,433)
	(5,19,145)	(6,09,221)
<b>Total</b>	<b>18,41,73,556</b>	<b>14,82,50,659</b>
Nature and purpose of other reserves		
<b>General Reserve</b>		
General reserve is credited out of profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up shares. As General reserve is credited by transfer of one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be consequently reclassified to statement of profit and loss.		
<b>Retained Earnings</b>		
Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividend or other distributions paid to shareholders		
<b>14 OTHER NON CURRENT FINANCIAL LIABILITIES</b>		
Deposits from Tenant	20,29,157	20,29,157
Total	20,29,157	20,29,157
<b>15 NON-CURRENT PROVISIONS</b>		
Provisions for Employee Benefits	1,36,906	1,17,683
Total	1,36,906	1,17,683
<b>16 DEFERRED TAX LIABILITY</b>		
Deferred Tax Liabilities		
Fair Value of Investment	1,75,64,991	71,89,653
	1,75,64,991	71,89,653
Deferred Tax Assets		
Impact of difference between Tax Depreciation and Depreciation / amortization charged for financial reporting	4,50,696	5,66,961
Leave Encashment	1,80,197	2,11,846
Others	10,74,312	11,02,124
	17,05,205	18,80,931
<b>Total</b>	<b>1,58,59,786</b>	<b>53,08,722</b>

**Movement in deferred tax assets balances**

	Net balance as at 31 <sup>st</sup> March 2020	Recognised in Profit & Loss	Recognised in OCI	Net Deferred Tax Asset as at 31 <sup>st</sup> March 2021
	Rs.	Rs.	Rs.	Rs.
<b>Deferred Tax Assets</b>				
Difference between Tax Depreciation and Book Amortisation	5,66,961	1,16,265	-	4,50,696
Leave Encashment	2,11,846	-	(31,649)	1,80,197
Others	11,02,124	27,812	-	10,74,312
	<u>18,80,931</u>	<u>1,44,077</u>	<u>(31,649)</u>	<u>17,05,205</u>
<b>Deferred Tax Liabilities</b>				
Fair Value of Investment	71,89,653	1,03,75,338	-	1,75,64,991
	<u>71,89,653</u>	<u>1,03,75,338</u>	<u>-</u>	<u>1,75,64,991</u>
	Net balance as at 31 <sup>st</sup> March 2019	Recognised in Profit & Loss	Recognised in OCI	Net Deferred Tax Asset as at 31 <sup>st</sup> March 2020
	Rs.	Rs.	Rs.	Rs.
<b>Deferred Tax Assets</b>				
Difference between Tax Depreciation and Book Amortisation	6,77,314	1,10,353	-	5,66,961
Leave Encashment	1,68,126	-	43,720	2,11,846
Others	14,88,127	3,86,003	-	11,02,124
	<u>23,33,567</u>	<u>4,96,356</u>	<u>43,720</u>	<u>18,80,931</u>
<b>Deferred Tax Liabilities</b>				
Fair Value of Investment	1,26,47,608	(54,57,955)	-	71,89,653
	<u>1,26,47,608</u>	<u>(54,57,955)</u>	<u>-</u>	<u>71,89,653</u>

Particulars	As at 31 <sup>st</sup> March 2021 Rs.	As at 31 <sup>st</sup> March 2020 Rs.
<b>17 OTHER CURRENT LIABILITIES</b>		
Statutory Dues	1,87,578	2,08,334
Total	<u>1,87,578</u>	<u>2,08,334</u>
<b>18 PROVISIONS</b>		
Provisions for Employee Benefits	7,36,802	6,78,540
Other Provisions*	15,17,239	16,72,086
Total	<u>22,54,041</u>	<u>23,50,626</u>

\*Other Provisions includes provisions for various expenses.

Particulars	Year ended 31 <sup>st</sup> March 2021 Rs.	Year ended 31 <sup>st</sup> March 2020 Rs.
<b>19 REVENUE FROM OPERATIONS</b>		
Other Operating Revenues		
Rent Received	77,12,025	90,04,396
Administrative & Maintenance Charges	14,19,330	12,82,503
Total	<u>91,31,355</u>	<u>1,02,86,899</u>

The company has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts;(ii) onerous obligations;(iii) penalties relating to breaches of service level agreements, and (iv) termination or deferment of contracts by customers. The company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

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Particulars	Year ended 31 <sup>st</sup> March 2021 Rs.	Year ended 31 <sup>st</sup> March 2020 Rs.
<b>20 OTHER INCOME</b>		
Interest Income on financial assets carried at amortised cost	52,06,424	49,62,234
Dividend Income		
Non Current Investment designated at fair value through profit or loss	33,687	5,16,932
Mutual Funds designated at fair value through profit or loss	-	-
	<u>33,687</u>	<u>5,16,932</u>
Non-Current Investments designated at Fair Value through Profit or Loss	3,44,44,413	-
Mutual Funds Designated at Fair Value through Profit or Loss	95,58,056	-
Profit on Sale of Mutual Funds	51,353	2,99,847
Profit on Sale of Shares	10,678	-
Reversal of Impairment loss in Value of Investments	-	10,13,851
Miscellaneous Incomes	460	-
Item pertaining to Previous year, unspent liabilities & provisions no longer required written back(Net)	5,763	224
Total	<u>4,93,10,834</u>	<u>67,93,088</u>
<b>21 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages and Bonus	31,40,843	31,41,184
Contribution to Provident and Other funds	5,99,527	4,22,489
Staff and Labour Welfare Expenses	15,72,514	15,85,800
Total	<u>53,12,884</u>	<u>51,49,473</u>
<b>23 OTHER EXPENSES</b>		
Power, Fuel and Electricity Expenses	2,19,937	56,760
Rent	1,000	1,000
Repairs - Building	33,500	14,360
Repairs - Others	48,905	17,870
Payments to Auditors- For Audit Fees	30,000	30,000
Insurance	87,932	78,499
Rates and Taxes	93,513	1,91,943
Legal & Professional Expenses	4,61,200	6,09,128
Vehicle Expenses	1,34,157	1,75,487
Miscellaneous Expenses	7,40,886	6,74,534
Directors Sitting Fees	53,000	34,000
Impairment in Value of Investment	20,45,657	-
Listing Fees	3,25,698	3,19,258
Non-Current Investments designated at Fair Value through Profit or Loss	-	1,59,79,999
Mutual Funds Designated at Fair Value through Profit or Loss	-	34,91,411
Central Excise Duty Exp. ( Ref. Note No. 26 )	-	27,80,401
Total	<u>42,75,385</u>	<u>2,44,54,650</u>
	<b>As at 31<sup>st</sup> March 2021 Rs.</b>	<b>As at 31<sup>st</sup> March 2020 Rs.</b>
<b>23 PAYMENT TO THE AUDITORS</b>		
a Audit Fees	30,000	30,000
Total	<u>30,000</u>	<u>30,000</u>
<b>24 EARNINGS PER SHARE</b>		
<b>BASIC &amp; DILUTED</b>		
Profit attributable to Equity Shareholders	3,58,32,821	(97,55,401)
Weighted average Number of Equity Shares	53,75,000	53,75,000
Basic and Diluted EPS	6.67	(1.81)
Face Value per Share	5.00	5.00

25	<b>CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)</b>	<b>As at 31<sup>st</sup> March 2021 Rs.</b>	<b>As at 31<sup>st</sup> March 2020 Rs.</b>
	<b>Contingent Liabilities</b>		
<b>A</b>	Claims against the company / disputed liabilities not acknowledged as debts		
	Central Excise Duty ( Ref. Note No. 26 )	-	-
	Sales Tax	1,39,33,964	1,39,33,964
	Commercial and Other Claims	54,772	54,772
	Income Tax (Ref. Note No. 27)	-	8,00,474
	<b>Commitments</b>		
<b>B</b>	Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
<b>26</b>	The Company has settled the Excise Duty dispute under the scheme " Sabka Vishwas (Regacy Dispute Resolution) Scheme Rules, 2019 for the excise duty liability of Rs. 54,38,208 by paying the amount which had been accounted under Central Excise Duty.		
<b>27</b>	The Company has settled the Income Tax dispute under the scheme Direct Tax Vivad Se Vishwas Act,2020 for the income tax liability of Rs. 8,00,474/- by the paying the amount of Rs. 3,31,741/- which has been determined by the Income Tax Department. All necessary compliances have been made and awaiting the final order from the Income Tax Department.		
<b>28</b>	Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
	<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2021 Rs.</b>	<b>As at 31<sup>st</sup> March 2020 Rs.</b>
	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	0.00	0.00
	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	0.00	0.00
	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	0.00	0.00
	The amount of interest accrued and remaining unpaid at the end of the accounting year; and the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	0.00	0.00
	Micro enterprises and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the confirmation received in response to intimation in this regard sent by the Company to the suppliers.		
<b>29</b>	<b>RELATED PARTY DISCLOSURES</b>		
	<b>List of Related Parties</b>		
<b>1</b>	<b>Relationships :</b>		
	(a) Associates	Cera Sanitaryware Ltd.	
		Gujarat Soaps Pvt. Ltd.	
	(b) Key Management Personnel	Thomas Koshy, Tarun Panchal, Neha Singh	
	(c) Employee Benefit Plans	Madhusudan Provident Fund Trust	
		Madhusudan Gratuity Trust	
	Note : Related party relationship is as identified by the Company and relied upon by the Auditors		

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### 2 Particulars of transactions during the year with related parties

Nature of Transactions (Excluding Reimbursement)	Associates	Key Management Personnel	Employee Benefit Plans	Total
	Rs.	Rs.	Rs.	Rs.
Income				
Rent	77,12,025	-	-	77,12,025
	(90,04,396)	(-)	(-)	(90,04,396)
Service Charges	7,08,900	-	-	7,08,900
	(8,23,950)	(-)	(-)	(8,23,950)
Other Services/ Expenses Reimbursement	7,64,829	-	-	7,64,829
	(8,93,128)	(-)	(-)	(8,93,128)
Dividend Received	-	-	-	-
	(4,69,690)	(-)	(-)	(4,69,690)
Expenses				
Director Sitting Fees	-	53,000	-	53,000
	(-)	(34,000)	(-)	(34,000)
Remuneration	-	34,49,671	-	34,49,671
	(-)	(33,63,392)	(-)	(33,63,392)
Contribution to Fund	-	-	2,52,716	2,52,716
	(-)	(-)	(3,99,725)	(3,99,725)
Finance				
Loans / Advance Given	-	-	-	-
	(-)	(-)	(-)	(-)
Fixed Deposit/ Loan Received	-	-	-	-
	(-)	(-)	(-)	(-)
Rent Deposit Received	-	-	-	-
	(9,62,057)	(-)	(-)	(9,62,057)
Rent Deposit Repaid	-	-	-	-
	(10,24,200)	(-)	(-)	(10,24,200)
Balance at the end of the year				
Receivables	4,93,365	-	-	4,93,365
	(4,93,365)	(-)	(-)	(4,93,365)
Payables	20,29,157	-	-	20,29,157
	(20,29,157)	(-)	(-)	(20,29,157)

### 3 Details of material transactions entered into with Related Parties during the year

Particulars		Nature of Relationship	2020-21 Rs.	2019-20 Rs.
Rent Received	Cera Sanitaryware Limited	Associates	77,12,025	90,04,396
Service Charges	Cera Sanitaryware Limited	Associates	7,08,900	8,23,950
Other Services/Expenses Reimbursement	Cera Sanitaryware Limited	Associates	7,64,829	8,93,128
Dividend Received	Cera Sanitaryware Limited	Associates	-	4,69,690
Loans / Advance Given	Gujarat Soaps Pvt. Ltd.	Associates	-	-
Rent Deposit Received	Cera Sanitaryware Limited	Associates	-	9,62,057
Rent Deposit Repaid	Cera Sanitaryware Limited	Associates	-	10,24,200

### 4 Breakup of compensation paid to Key Management Personnel

Sr.No.	Particulars	Key Management Personnel	Year ended 31st March,2021 Rs.	Year ended 31st March,2020 Rs.
1	Short-Term Employee Benefits	Shri Thomas Koshy	25,20,736	24,42,648
		Shri Tarun Panchal	7,49,430	7,46,340
		Ms. Neha Singh	1,79,505	1,74,404
2	Director Sitting Fees		53,000	34,000

#### Note

Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not presented above.

**30 EMPLOYEE BENEFITS**

As per Ind AS 19 "Employee Benefits", the disclosure of employee benefits as defined in the Indian Accounting Standard are given below:

**a Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognised as expenses for the year is as under :

<b>Particulars</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Rs.</b>	<b>Rs.</b>
Employer's Contribution to Provident Fund	2,87,885	3,03,840

**b Defined Benefit Plan**

General Description of defined benefit plan

**Gratuity**

The company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days / one month salary last drawn for each completed year of service depending on the date of joining. The same is payable on termination of service, retirement or death, whichever is earlier. The benefit vests after five years of continuous service.

The Company has a defined benefit gratuity plan (funded). The Company defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of an approval gratuity trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

**Leave Encashment**

The Company has a policy on leave encashment which is applicable to its employees. The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected Unit credit method on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Balance Sheet date.

**Risk associated to the Plan (Gratuity and Leave Encashment)**

<b>A</b> Actuarial Risk	Risk due to adverse growth / variability in mortality and withdrawal rates
Longevity Risk	
Investment Risk	Risk due to significant changes in discounting rate during the inter-valuation period.
Liquidity Risk	Risk on account of Employees resign / retire from the company and as result strain on the cashflow arises.
Market Risk	Risks related to changes and fluctuation of the financial markets and assumption
Interest Risk	Depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yield as at the valuation date.
Legislative Risk	Risks of increase in the plan liabilities or reduction in plan assets due to change in legislation.

**Key Assumptions considered (Gratuity and Leave Encashment)**

Actuarial Assumptions	Discount Rate
	Salary Growth Rate
	Rate of Interest on Plan Assets
	Mortality
	Withdrawal Rate
Financial Assumptions	Discount Rate
	Salary Growth Rate
Demographic Assumptions	Withdrawal Rate
	Mortality Rate

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### Reconciliation of opening and closing balances of Defined Benefit Obligations

Particulars	2020-21		2019-20	
	Gratuity Funded Plan Rs.	Leave Encashment Non-funded Plan Rs.	Gratuity Funded Plan Rs.	Leave Encashment Non-funded Plan Rs.
<b>Change in the present value of the Defined Benefits Obligation</b>				
Defined Benefits Obligation at the beginning of the year	37,43,088	7,96,223	33,48,713	6,48,934
Current service cost	99,495	27,685	1,13,753	28,727
Interest cost	2,52,658	53,745	2,34,410	45,425
Actuarial losses / (gain) recognised in Other Comprehensive Income	-	-	-	-
Due to Change in demographic assumption	-	-	-	-
Due to Change in financial assumption	21,560	4,708	62,522	12,148
Due to Experience adjustments	(2,99,461)	1,63,957	(16,310)	1,22,273
Benefits Paid	(4,86,462)	(1,72,610)	-	(61,284)
Prior year Charge	-	-	-	-
Defined Benefits Obligation at year end	33,30,878	8,73,708	37,43,088	7,96,223
<b>Change in Fair Value of Plan Assets</b>				
Fair Value of Plan Assets at beginning of the year	37,43,088	-	33,48,713	-
Expenses Deducted from the Fund	-	-	-	-
Expected return on plan assets	2,52,658	-	2,34,410	-
Experience gain / loss on plan assets	-	-	-	-
Return of Plan Assets recognised in Other Comprehensive Income	-	-	-	-
Actuarial Gain / (Loss)	12,489	-	12,480	-
Employer Contribution	16,431	-	1,47,485	-
Benefits paid	(4,86,462)	-	-	-
Fair Value of Plan Assets at year end	35,38,204	-	37,43,088	-
Actual return on Plan Assets	2,65,147	-	2,46,890	-
<b>Changes in Fair Value of Assets and Obligations</b>				
Fair value of Plan Assets	35,38,204	-	37,43,088	-
Present Value of Obligation	33,30,878	8,73,708	37,43,088	7,96,223
Deficit/(Surplus) amount of Plan recognised on Balance Sheet	(2,07,326)	8,73,708	-	7,96,223
<b>Expenses recognised during the year</b>				
Current Service Cost	99,495	27,685	1,13,753	28,727
Interest Cost	2,52,658	53,745	2,34,410	45,425
Expected return on plan assets	(2,52,658)	-	(2,34,410)	-
Expenses deducted from the fund	-	-	-	-
Prior Year Changes / Net Value of Plan Assets	-	-	-	-
Net Cost	99,495	81,430	1,13,753	74,152
<b>Assets / Investment Details</b>				
Government of India Securities	-	-	-	-
High Quality Corporate Bonds	-	-	-	-
Equity Shares of listed Companies	-	-	-	-
Property	-	-	-	-
Insurance Company	100%	-	100%	-
<b>Principal Actuarial Assumption</b>				
Mortality Table	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
Discount Rate	6.75%	6.75%	7.00%	7.00%
Salary Growth Rate	6.00%	6.00%	6.00%	6.00%
Withdrawal Rate (p.a.)	5.00%	5.00%	5.00%	5.00%





**Sensitivity Analysis**

Particulars	2020-21		2019-20	
	Gratuity Funded Plan	Leave Encashment Non-funded Plan	Gratuity Funded Plan	Leave Encashment Non-funded Plan
	Rs.	Rs.	Rs.	Rs.
Rate of increase in Discount Rate				
a) Increase by 100 base points	32,80,740	8,62,263	36,90,333	7,85,307
b) Decrease by 100 base points	33,87,164	8,86,810	38,01,923	8,08,770
Rate of increase in Salary Growth Rate				
a) Increase by 100 base points	33,86,998	8,86,774	38,01,923	8,08,770
b) Decrease by 100 base points	32,79,950	8,62,082	36,89,369	7,85,111
Rate of increase in Withdrawal Rate				
a) Increase by 100 base points	33,32,833	8,74,300	37,45,871	7,97,029
b) Decrease by 100 base points	33,28,694	8,73,041	37,40,055	7,95,321

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used in preparing the sensitivity analysis did not change compared with the previous year.

**Maturity Profile of the Defined Benefit Obligation**

Year 1	26,51,036	31,22,886
Year 2	23,072	20,058
Year 3	23,119	20,058
Year 4	23,061	20,029
Year 5	23,003	19,978
Year 5 Onwards	5,87,587	5,40,079

**Company's estimate of Contribution expected to be paid during Financial Year 2020-21 is as under :**

Defined Contribution Plan		
Employer's contribution to Provident Fund	12% of Salary	12% of Salary
Defined Investment Plan		
Gratuity	45,604	63,454

The estimate of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

**31 A FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT**

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

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value measurement hierarchy of the Company's assets and liabilities is as below :

	Carrying amount Rs.	Level 1 Rs.	Fair Values Level 2 Rs.	Level 3 Rs.
<b>As at 31<sup>st</sup> March 2021</b>				
Financial assets measured at fair value				
Non-current Investments	8,74,84,197	5,54,36,774	-	-
Current Investments	4,16,24,217	3,23,22,465	-	-
<b>As at 31<sup>st</sup> March 2020</b>				
Financial assets measured at fair value				
Non-current Investments	5,54,36,774	6,04,77,981	-	-
Current Investments	3,23,22,465	4,57,73,803	-	-

There has been no transfers between levels during the year.

The fair values of Non-Current Investment and Current Investments are derived from quoted market prices in active markets. The management assessed that the carrying values of trade and other receivables, cash and short term deposits, other assets and trade and other payables, based in their notional amounts, reasonably approximate their fair values because these instruments have short-term maturities and are re-priced frequently.

**B FINANCIAL RISK MANAGEMENT**

The Company's activities exposes it to variety of Market risk, Credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly.

The key risks and mitigating actions are also placed before the Audit Committee of the Company.

**I Market Risk**

Market risk is that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises three types of risks : Interest rate risk, Currency risk and other price risk.

Financial instruments affected by market risk includes investments, trade payables, trade receivables, loans.

**a) Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of financial instrument will fluctuate because of change in market interest rates. Since the company has no interest bearing borrowings, there is no exposure to changes market interest rates.

**b) Foreign currency Risk**

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate due to changes in foreign currency rates. Since the company has not undertaken any direct exposure to foreign exchange transactions there is no exposure to foreign currency risk.

**c) Other Price Risk**

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and bonds.

The Company is exposed to price risk arising mainly from investment in equity instruments recognised at FVTPL.

**II Credit Risk**

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and Inter Corporate Deposit. The Company's customer mainly consist of its associate Cera Sanitaryware Limited. The Company has a credit policy, approved by the Management that is designed to ensure that consistent processes are in place to measure and control credit risk.

The Company has trade relationships only with reputed third parties. The receivable balances are constantly monitored, resulting in an insignificant exposure of the Company to the risk of non-collectible receivables. Credit risk is managed through credit approvals, establishing credit limits, obtaining collaterals from the customers in the form of deposits and / or bank guarantees and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The maximum credit exposure associated with financial assets is equal to the carrying amount.

The Company's historical experience of collecting receivables, supported by the level of default, is that credit risk is low across territories and so trade receivables are considered to be single class of financial assets.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in financial statements. As a practical expedient, the Company follows the policy of providing for debtors which are due for more than 180 days. In case of cash and cash equivalents, since the amount is in form of demand deposits with bank there is no credit risk perceived. Hence no provision for expected credit loss has been made.

**III Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly close to its fair value.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow is generated from operations. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements. The company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. Accordingly no liquidity risk is perceived.

**Impact of COVID-19**

Major part of the financial asset are carried at amortised cost. Financial assets as at 31 March 2021 carried at amortised cost

is in the form of trade receivables and cash and cash equivalents where the Company has assessed the counterparty credit risk. Trade receivables as at 31 March 2020 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situation due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and the financial strength of the customers in respect of whom amounts are receivable. Basis assessment done by the company and the cutomers being related parties, there is no need for doubtful allowances.

### C CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and all other equitiy reserves attributable to the equity share holders of the company. The primary objective of the Company when managing capital is to safeguard its ability to continue as going concern and to maintain an optimal capital structure so as to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio and is measured by net debt divided by total capital plus net debt. The Company's net debt is equal to trade and other payables less cash and cash equivalents. The Company did not have any borrowings at any time during the year.

As at 31st March 2021, the Company has only one class of equity shares and has no debt. Consquently to such capital structure, there are no externally imposed capital requirements.

- 32** In view of the pandemic relating to COVID-19, the Company has considered internal and external information and has performed an analysis based on current estimates while assessing the provision towards employee benefits, trade receivables, investments and other current and financial assets, for any possible impact on the financial statements. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position and internal financial reporting controls and is of the view that based on its present assessment this situation does not materially impact these financial statements. However, the actual impact of COVID-19 on these financial results may differ from that estimated due to unforeseen circumstances and the Company will continue to closely monitor any material changes to future economic conditions.
- 33** As required under Paragraph (10C) of Ind AS 101, the Company has reclassified items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind AS.

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached  
For and on behalf of  
**Shailesh Shah & Associates**  
ICAI Firm Registration No. 109877W  
Chartered Accountants  
**C. A. Shailesh A. Shah**  
Proprietor  
Membership No. 32205

**Thomas Koshy**  
C.E.O.  
**Tarun Panchal**  
C.F.O.  
**Neha Singh**  
Company Secretary  
Mem. No. ACS 55606

**Rajesh B. Shah** (DIN : 00607602) Director  
**P. K. Shashidharan** (DIN : 06506263) Director  
**P. C. Surana** (DIN : 06508125) Director  
**Rutva Acharya** (DIN : 06933478) Director

Place : Ahmedabad  
Date : 15<sup>th</sup> June, 2021

Place : Ahmedabad  
Date : 15<sup>th</sup> June, 2021



**Madhusudan Industries Limited**

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