

ANNUAL REPORT
2019-2020

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BOARD OF DIRECTORS

DR. RAGHUPATI SINGHANIA - Chairman

H.V. LODHA

HARSH PATI SINGHANIA

RAHUL CHANDRAKANT KIRLOSKAR

BAKUL JAIN

MAMTA SINGHANIA

SURENDRA MALHOTRA

VIKRAMPATI SINGHANIA - Managing Director

NAGARAJU SRIRAMA - President & Director

REGISTERED OFFICE :

3, Madurai - Melakkal Road, Madurai - 625 016.

CORPORATE OFFICE :

Khivraj Complex - II, 5th Floor, 480, Anna Salai, Nandanam, Chennai - 600 035.

BANKERS :

State Bank of India, Canara Bank, Axis Bank, HDFC Bank

AUDITORS :

Lodha & Co., Chartered Accountants

PLANTS :

• Madurai • Sriperumbudur • Nilakottai • Patancheru • Pashamailaram

CHAIRMAN'S MESSAGE



The year 2019-20 witnessed multiple challenges viz. the economy continued to be depressed due to liquidity issues, subdued demand in the manufacturing and automotive sectors as well as global slowdown. While the government came up with monetary policy changes including interest rate cuts, yet the economy continued on a downward spiral, owing to cyclical and structural reasons. The end of the year saw the impact of the Covid-19 pandemic, which also affected the year-end sales and this is likely to continue to impact the economy and our business in the ensuing year too.

JK Fenner continues to invest in technologies in its core products as well as emerging technologies, diversify its market segment portfolio, breakthrough improvements, that would enable your company in the coming years in its growth ambitions. The strategic focus on pursuing newer opportunities in exports is expected to result in growth in the medium term. The post Covid-19 sourcing shifts by developed countries to de-risk their China exposure, could have a favourable rub off effect in the exports business.

Your company is committed to its philosophy of giving back to society through its CSR activities, which has continued in the year gone by in the form of programs focusing on health, education, livelihood creation, skill development as also the Government initiative on Swachh Bharat for the under-privileged in the rural areas.

I thank all our employees for their efforts and focus in working towards the attainment of the set goals of the company.

Raghuapati Singhania

MANAGING DIRECTOR'S MESSAGE



Firstly, I wish and pray for the good health and safe living of all the stakeholders of JK Fenner at this time of Covid-19 pandemic.

In the year gone by, the growth in the Indian economy shrunk when compared to the previous year, particularly the automotive market which saw a significant degrowth. Added to this was the changeover from BS IV to BS VI which brought in its own challenges to the automotive industry. However, the Industrial products of your company

grew over the previous year. Further, in March 2020, the Covid-19 pandemic forced the Government of India to invoke a national lockdown; an unprecedented action. All of these resulted in your company closing the year lower than the previous year; though the first half of the year remained unaffected.

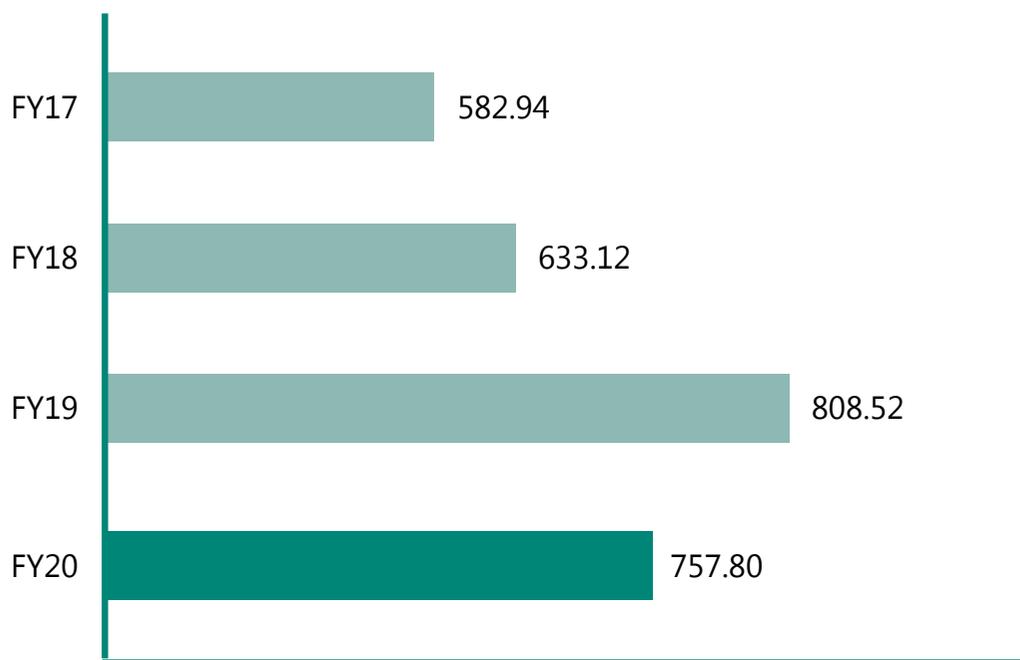
JK Fenner continued its efforts in developing new products and technologies, including a foray into the EV space, developing domestic and exports markets and capability building. On the manufacturing front, the team achieved positive results through productivity improvements and cost savings. With the proactive capacity planning in place, your company is set to seize the business opportunities as and when the economic revival happens.

In summary, while the short term looks challenging due to the rising Covid-19 related issues affecting the overall economy across the world, the medium term offers hope as your company is well positioned to recover its business, with the thrust likely to be led by both domestic as well as exports business.

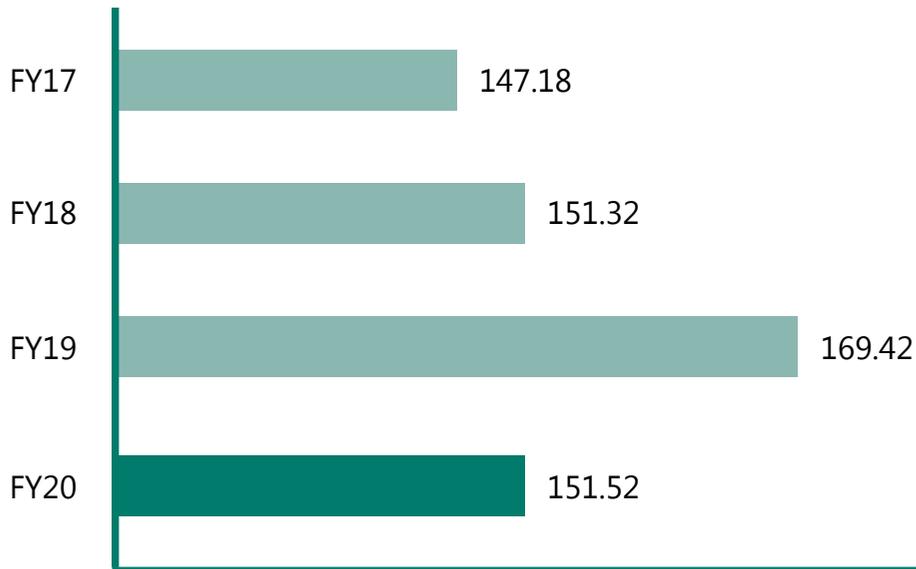
Vikrampati Singhania

Financial Analysis 2019-20

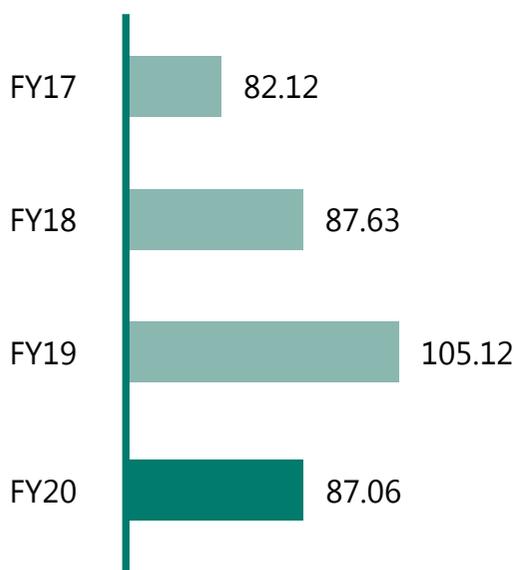
Net Sales (₹ in Cr.)



Operating Profit (PBIDT) (₹ in Cr.)



Profit Before Tax (₹ in Cr.)



TO THE MEMBERS

Your Directors have pleasure in presenting the Annual Report together with the Audited Financial Statements of the Company for the financial year ended 31st March 2020.

FINANCIAL RESULTS

(₹ in Crores)

Sales & Other Income	793.55
Profit Before Finance cost & Depreciation (PBIDT)	151.52
Profit After Tax (PAT)	64.98
Surplus brought forward	144.54
Surplus carried to Balance Sheet	190.07

DIVIDEND

During the year under review, a Dividend of 1% to the preference shareholder of the Company on 70,00,000 Cumulative Redeemable Preference Shares (CRPS) of ₹ 100/- each was paid. The total Preference Shares Dividend outgo was ₹ 84,38,870/- (inclusive of Dividend Distribution Tax of ₹ 14,38,870/-).

An interim dividend of ₹ 50/- per Equity share has been paid to the members of the Company. The Board recommends this dividend to be treated as final dividend for the year. The total Dividend outgo to the Equity shareholders was ₹ 14,96,73,377/- (inclusive of Dividend Distribution Tax of ₹ 2,55,20,077/-).

OPERATIONS

During the year 2019-20, the Indian economy went through a sluggish period reflecting in a lower GDP growth of approximately 4.9%. Growth in the manufacturing sector was slow while the

automotive industry degrew for the first time in several years, witnessing a steep drop in both sales as well as production during the financial year 2019-20.

Due to this overall slowdown, the belt business remained more or less flat. Since a significant part of the oil seal business is dependent on the automobile OE sector, it witnessed a significant degrowth due to the slowdown of the sector. During the latter part of the year, the COVID-19 pandemic also started having an impact on sales in both domestic as well as export markets. Subsequently the Government of India ordered a Nationwide Lockdown of all activities from 25th March 2020, bringing a complete halt of all domestic and export activities, negatively impacting sales.



Excellence in New Product Design

On the raw material front, the availability of certain key raw materials such as carbon black and some chemicals eased a bit compared to the previous year. Productivity improvement coupled with manufacturing cost reduction initiatives across the operations enabled the Company to sustain profitability in spite of adverse market conditions.

Your Company's focus on enhancing Technology and Innovation related projects resulted in the launch of new products for Defence applications and Poly V belts for automotive applications. Further, your Company has made a foray into EV 2-Wheeler drive systems, positioning the Company for a growth opportunity as the Electric Vehicle sector evolves.

Your Company continued its focus to connect with the OEM customers in the Automotive sector, through participation in 'Technology Days' and application engineering approach.

On the manufacturing front, JK Fenner Company continued its learning and implementation of projects towards excellence across all plants. During the year, some breakthrough projects were implemented leading to significant debottlenecking of some operations through productivity improvement. This is expected to increase the production capacity and bring down the cost, thereby enabling improved profitability and ROCE over time.

Your Company endeavours to enhance its business communication with its dealers through its digital connect initiatives. The Company has developed a number of online and mobile applications to help reduce transaction time and provide timely information to its channel partners. This will increase the ease of doing business with the Company.

Belts continued to account for a significant part of revenue in the portfolio of J.K. Fenner as it enjoys a strong position across industrial sectors as well as auto aftermarket. A number of programs are underway with the auto OE's and after market players both domestically as well as internationally. The Company has

developed and supplied a 2-Wheeler EV drive transmission system to some leading OE players. This augurs well for future growth in the Company's OEM business.

The sale of Oil seals de-grew significantly in 2019-20, mainly due to the slowing down of OEM's during the latter part of the year. In line with the changes in the vehicle warranty being offered by OEMs, J.K. Fenner continues to work on enhancing the performance and life of its product offerings.

The Sales, Technology and Innovation teams are working jointly to develop necessary products and technologies to continue robust growth. During the year, the Company won many new programmes with OE customers especially for BS VI Vehicles.

ENGINEERING BUSINESS

The year saw a subdued demand across all major core sectors like Cement, Power, Steel, Oil and Refinery and the impact of COVID-19 further dampened the year's performance. In spite of these challenges the Engineering Business performance remained stable and was able to maintain its topline.



Powertran Industrial Automation launch

The business continued to grow from new product verticals like Aerators, Geared Motors, Vibration Motors and a new series of Couplings. The focussed end markets of Food & Beverage,

Material Handling Equipments along with Pharma continued to grow significantly during the year.

Many new initiatives through ACMA and UNIDO clusters helped the plants to improve process capabilities along with significant improvement in lead time reduction.

Team development initiative through a customised program named "Inner Compass" was initiated. This enabled the teams to engage across functions and work on quantum growth projects.

EXPORTS

The export sales registered a de-growth during 2019-20. This was due to the slowdown in the global markets caused by the COVID-19 pandemic. Introduction of new products like fluid transmission hoses added to the product basket. During the year, the Company also negotiated long term contracts with some large automotive aftermarket players in North America. Participation in large trade fairs have helped the Company to progress towards global visibility.



Apex 2019 - Las Vegas, USA

In the current year, the Company is working for business development in market segments like agriculture, automotive and general industry, in addition to new geographies. The Company expects to see growth in future in these segments.

OTHERS

The Company's focus on enhancing Technology and Innovation related projects resulted in the launch of Manual and Auto Tensioners, Water Pumps, new generation belts and Oil seals for the Automotive Sector. The Company has developed auto tensioners and pulleys that form a kit along with belts to fulfil the needs of OEM's as well as the aftermarket.

The Company has developed special v-belts for Harvester Combine Machines as an import substitution in addition to new versions of timing belts to meet the requirements of OE customers. The Company has also made significant progress in Hose manufacturing capabilities.

AUTO AFTER MARKET

The Company's efforts in SAARC countries to improve Auto After Market presence has started yielding results in countries like Sri Lanka, Bangladesh and Nepal. Additionally, the Company continues to increase its reach across states in India.

The Company increased the product portfolio in Auto aftermarket to widen the basket of products offered to the channel partners.

RESEARCH AND DEVELOPMENT

The R&D teams of your Company have been working across the entire value chain



Timken India-Excellence in Quality

especially new sources of raw material, process improvements and design optimisation for existing as well as new products to meet the changing needs of the global customers. They have been working closely with the customers, right from concept stage of the vehicle to develop & deliver complete solutions.

Amongst other things, the R & D teams of your Company are focusing on:

- Development of a new series of Poly V belts for Automotive applications which are superior in performance and durability.
- Innovation in manufacturing process for a new series of Belts.
- Development of next Generation Tensioner for the Poly V system.
- Development of new ranges of hose products like High Pressure Hydraulic hoses, Silicon hoses and hoses that withstand very high temperature applications.
- Products for defence, railways segments.

HUMAN RESOURCE

The Company firmly believes that its success is due to consistent employee commitment, passion and contribution. The Company is committed to providing its employees with a supportive, rewarding and safe work environment coupled with engagement and empowerment enabling them to realize their full potential. We have consistently focused on recruiting the best talent with the objective to generate superior performance. With a dedicated focus on workforce issues which include learning & development programmes and succession planning, we are providing our employees with opportunities of career advancement. Structured human resource development programs cover employee engagement initiatives, performance and compensation management, competency mapping and assessment centres.

In recognition of the Company's human resources development initiatives the Company continued to be certified as a 'Great Place to Work' by the Great Place to Work Institute. In an encouragement to its initiatives, the Company has been bestowed with awards such as People Management Award from JK Organisation, Tamil Nadu Best Employer Brand Awards from World



Great Place to Work



Excellence in People Management

HRD Congress, etc., in addition to some of the following awards: -

- (i) Nilakottai Plant has been recognized as "Emerging Leader" in Excellence in Operations Management in the CII BE Star recognitions.
- (ii) Hyderabad 1 Plant won an award from the customer Timken India for "Zero PPM and Zero Defect".
- (iii) Hyderabad 2 Plant has been recognised with "Silver Category Recognition" in CII BE Maturity Assessment.
- (iv) Hyderabad 1 Plant received "Best Suppliers Certificate in Quality" from the Customer, "Concentric Pumps Pvt. Ltd".
- (v) Hyderabad 1 Plant won prizes in Lean Six Sigma Contest conducted by NIQR (National Institute for Quality and Reliability) Bangalore.
- (vi) Madurai Plant has been awarded "Bronze" by ACMA in Very Large Category on Excellence in New Product Design and Development.

(vii) Sriperumbudur plant has been recognized as "Emerging Leader" in excellence in people management in the CII BE star recognition.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return, as on 31st March 2020, in the prescribed Form MGT-9, is attached as Annexure 'A' with this Report and forms a part of it.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees, securities and investments covered under the provision of Section 186 of the Companies Act, 2013, are furnished in the financial statements.

RELATED PARTY TRANSACTIONS

During the financial year ended 31st March 2020, all contracts or arrangements or transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013.

Further, the Company did not enter into any contract or arrangement or transaction with related parties that could be considered material. In view of the above, disclosure in Form AOC-2 is not applicable.

CONSERVATION OF ENERGY, ETC.

The details, as required under Section 134(3)(m) read with the Companies (Accounts) Rules, 2014 are annexed to this Report as Annexure 'B' and forms a part of it.

DEPOSITS

Pursuant to the approval of members by means of a special resolution dated 25th September 2015, the Company has continued to accept deposits from the public, in accordance with the provisions of the Companies Act, 2013 and rules thereunder.

The particulars with respect to the deposits covered under Chapter V of the said Act, for the financial year ended 31st March 2020 are (a) accepted during the year: ₹ 15.94 Crores; (b) remained unclaimed as at the end of the year: ₹ 0.024 Crores; (c) defaulted in repayment of deposits or payment of interest thereon at the beginning of the year and at the end of the year: NIL and (d) details of deposits which are not in compliance with the requirements of Chapter V of the said Act: NIL.

CONSOLIDATION OF FINANCIAL STATEMENTS

Pursuant to Section 129 of the Companies Act, 2013 and Rules thereunder, the Company is eligible to avail exemption from presenting consolidated financial statements, since the Company complies with the conditions specified in the said Section and Rules thereto.

Accordingly, your Company has availed the exemption from preparation and presentation of its Consolidated Financial Statements for the year ended 31st March 2020, being an unlisted Company coupled with the fact that its Holding Company consolidated the financial statements for the year ended 31st March 2020 in compliance with the applicable Accounting Standards.

During the financial year under review, no Company has become or ceased to be your

Company's subsidiary or associate except BMF Investments Limited which ceased to be as subsidiary of your Company pursuant to the Scheme of Arrangement which became effective from 24th May 2019. The Company does not have any Joint Venture.

AUDITORS

(a) Statutory Auditors and their Report

M/s. Lodha & Co., Chartered Accountants, Statutory Auditors of the Company appointed by the members at their 24th Annual General Meeting (AGM) held on 30th August 2017 for a term of 5 (five) consecutive years from the conclusion of the 24th AGM till the conclusion of the 29th AGM, has carried out the Statutory Audit of Books of Account of the Company for the financial year 2019-20. The observations of the auditors in their report on accounts and the financial statements, read with the relevant notes are self-explanatory.

(b) Secretarial Auditors and Secretarial Audit Report

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board of Directors appointed M/s.R.Sridharan & Associates, a firm of Company Secretaries in practice as Secretarial Auditors to carry out the Secretarial Audit of the Company for the financial year 2019-20. The Report, given by them for the said financial year in the prescribed format, is annexed to this Report as Annexure 'C'. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

(c) Cost Auditors and Cost Audit Report

The Company maintains cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013. The Cost Audit for the financial year ended 31st March 2019 was conducted by M/s.Indumathi & Associates, Cost Accountants, Chennai and as required, the Cost Audit Report was duly filed with Ministry of Corporate Affairs, Government of India. The Audit of the cost records of the Company for the financial year ended 31st March 2020 is being conducted by M/s.Ramachandran and Associates, Cost Accountants, Chennai.

CORPORATE SOCIAL RESPONSIBILITY

Over the years, the Company has been undertaking and participating in various socially important projects in the fields of livelihood creation, skill development, rural development, health and hygiene, education and environmental sustainability amongst others.

During the year under review, as part of livelihood creation through skill development, the Company has initiated skill training for Automobile Service technicians for 2/3-Wheeler & 4-Wheeler under ASDC Certification with employment



Ambulance donation

assurance in OEMs/Authorised service centres in Chennai & Madurai. The Company is supporting livelihood creation by imparting Driving skills to underprivileged male and female youth in Chennai, Madurai and Hyderabad and partnered with Maruti Suzuki to provide employment.

A Skill Development programme was undertaken for differently abled youths at Hyderabad to impart training on improving language skills, basic IT skills etc. As part of Livelihood creation programme, skill training was imparted for air-conditioning maintenance & JCB Machine Operations.

Vocational Skill Development programmes for Village women for tailoring and embroidery were organized in Chennai, Madurai and Hyderabad. Skill development programme for women was organized for beautician course, in Sriperumbudur under National Skill Development Council (NSDC) accreditation. Our Adult Literacy program continues for Jail inmates and Village elders.

As part of the Village development program the Company has supported Pommampatti village near Madurai for over 2 years. The village has become self-reliant with rehabilitation of villagers with support for Agriculture and Irrigation and non-farming Livelihood creation. The migration of families from the village has stopped after this intervention.

On the health side, the Company has conducted Cancer Awareness Program in the Villages in Telangana & Madurai. The Company has also conducted Eye Screening camps with the



Plastic shredder machine at Railway station, Chennai

help of Sankara Nethralaya, in the villages of Sriperumbudur, Vasan eye care in Madurai and Agarwal Eye Hospitals in Telangana providing free spectacles, medicines, besides Cataract Surgery.

The Company has supported Swachh Bharat Abhiyan by constructing toilets for Girls in Govt. Schools in Villages of Tamilnadu & Telangana.

For Environmental sustainability, your organization has taken the drive to prevent reuse of single use plastics by installing plastic shredder machines in public places like Chennai Central Railway Station and Madurai Railway Station & Bus Terminus in Madurai.

The Annual report on CSR activities undertaken by the Company during the financial year under review in the prescribed format is annexed to this report as Annexure–D.

INTERNAL FINANCIAL CONTROLS

With a view to have a robust Internal Financial Control system, the Company has put in place budgetary controls, internal reporting policies and procedures. These systems, policies and procedures are reviewed from time to time and are updated. This ensures accuracy and completeness of the accounting records, safeguarding of the

assets and resources of the Company, also helps in prevention and detection of frauds and errors. The policies and procedures are also adequate for orderly and efficient conduct of business of the Company. The Company has a robust management information system commensurate with the size and nature of its operations, which not only facilitates speedy business decisions but also helps in sharing reliable information across various levels in the Company.

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

During the financial year under review, there were no significant and material orders passed by the regulators, Courts or Tribunals that could impact the going concern status of the Company and its future operations.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of this report, except the Scheme of Arrangement which became effective as stated hereinbefore.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Smt. Mamta Singhania retires by rotation and, being eligible, offers herself for re-appointment at the ensuing AGM.

The Board at its meeting held on 21st January 2020 re-appointed Shri Vikrampati Singhania as Managing Director of the Company on the

terms and conditions as recommended by the Nomination and Remuneration Committee for a term of five years commencing 1st April 2020 subject to the approval of the Members in the forthcoming Annual General Meeting (AGM).

The Board of Directors at its Meeting held on 21st January 2020 had appointed Shri Rahul C Kirloskar and Shri Bakul Jain as Independent Directors for a second term of five consecutive years with effect from 13th March 2020 and 11th May 2020 respectively subject to the approval of the Members of the Company at the forthcoming AGM.

Except this, there was no other change in the Directors/ KMP of the Company during the year under review.

Declarations have been received from all the Independent Directors of the Company that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

MEETINGS OF THE BOARD

Five Board Meetings were held during the twelve months period from 1st April 2019 to

31st March 2020 i.e., on 10th May 2019, 31st July 2019, 24th October 2019, 21st January 2020 and 25th February 2020.

AUDIT COMMITTEE

The Audit Committee of Directors comprises of Shri Bakul Jain, Chairman of the Committee, Shri Rahul C Kirloskar and Shri Surendra Malhotra, all being Independent Directors. The composition and the 'Terms of Reference' of the Committee are in conformity with the provision of Section 177 of the Companies Act, 2013.

VIGIL MECHANISM

Pursuant to Section 177 of the Companies Act, 2013 and the Rules thereto, your Company has established a vigil mechanism for the directors and employees to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics policy, and any other event which would adversely affect the interests of the business of the Company.



PMA Award for Highest Improvement and for Best Practices

The details of establishment of such mechanism have been disclosed on the website of the Company. It is affirmed that no personnel have been denied access to the Audit Committee.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up Internal Complaints Committee (ICC) at its workplaces to redress the complaints of women employees.

During the year, no complaint has been filed with ICC with allegation of Sexual Harassment. Further, there were no complaints pending as on the end of the financial year 31st March 2020.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Committee has formulated a Nomination and Remuneration Policy pursuant to the provisions of Section 178 of the Companies Act, 2013. The salient features of the Policy are attached to this Report as Annexure 'E' forming part of this report.

PERFORMANCE EVALUATION

As required, the Nomination and Remuneration Committee of Directors specified the manner for effective evaluation of performance of the Board, its Committees and individual Directors in accordance with the provisions of the Companies Act, 2013.

Accordingly, the Board of Directors made formal annual evaluation of its own performance and

that of its committees and individual Directors in accordance with the manner specified by the Nomination and Remuneration Committee of Directors.

Performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as adequacy of its composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as composition of committees, terms of reference of committees, effectiveness of the committee meetings, participation of the members of the committee in the meetings, etc.

The Board also carried out evaluation of the performance of individual directors on the basis of criteria such as attendance and effective participation and contributions at the meetings of the Board and its committees, exercise of his/her duties with due & reasonable care, skill and diligence, etc.

In a separate meeting of the Independent Directors of the Company, performance of the non-independent Directors, performance of the Board as a whole and performance of the Chairman were evaluated, taking into account the views of Executive Directors of the Company. The Chairman of the Meeting of the Independent Directors apprised the Board about the evaluation carried by it, that the Independent Directors were fully satisfied in this regard.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors state that:



National Safety Award

- a) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) the internal financial controls to be followed by the Company have been laid down and

that such internal financial controls are adequate and were operating effectively; and

- f) the proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

Your Directors further state that applicable Secretarial Standards issued under Section 118 of the Companies Act, 2013 have been complied with.

RISK MANAGEMENT

The Company has an elaborate risk management system to inform Board Members about risk assessment and minimization procedures. A Risk Management Committee headed by a Whole-time Director evaluates the efficacy of the framework relating to risk identification and its mitigation. Board Members are accordingly informed.

ACKNOWLEDGEMENTS

The Board places on record its appreciation of the valued services and dedicated efforts of the employees of the Company, as also the co-operation and support extended by Company's bankers, customers, shareholders, dealers, vendors, various Government agencies and other stakeholders.

On Behalf of the Board

Dr. Raghupati Singhania
Chairman

Place: New Delhi

Date: 14th May 2020

ANNEXURE A TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2020

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

I. REGISTRATION AND OTHER DETAILS:

1	CIN	:	U24231TN1992PLC062306
2	Registration Date	:	09.04.1992
3	Name of the Company	:	J.K. FENNER (INDIA) LIMITED
4	Address of the Registered Office and Contact details	:	3, Madurai-Melakkal Road, Madurai-625 016 email: companysecretary@jkfenner.com website: www.jkfennerindia.com Tel No. 0452-4283826, Fax No. 0452-4283831
5	Category/Sub-Category of the Company	:	Public Company / Limited by shares
6	Whether listed Company Yes / No	:	No
7	Name, Address and Contact details of Registrar and Transfer Agent, if any.	:	M/s. Alankit Assignments Limited. Alankit House, 4E/2, Jhandewalan Extension, New Delhi - 110055. Tel No. 011-42541234, 23541234, Fax No. 011-23552001 email: info@alankit.com; website: www.alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1.	Power Transmission Products	22192	61.50%
2.	Oilseals, Moulded Rubber Products and Rubber Compounds, Rubber Hoses	22192	19.03%
3.	Engineering Products & Services	28140	18.39%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	BENGAL & ASSAM COMPANY LIMITED 7, Council House Street, Kolkata-700 001	L67120WB1947PLC221402	Holding Company	88.18	2(46)
2.	SOUTHERN SPINNERS AND PROCESSORS LIMITED 3, Madurai-Melakkal Road, Madurai-625 016	U17111TN2005PLC056558	Subsidiary Company	100.00	2(87)
3.	MODERN COTTON YARN SPINNERS LIMITED 3, Madurai-Melakkal Road, Madurai-625 016	U17111TN2005PLC057274	Subsidiary Company	100.00	2(87)
4.	ACORN ENGINEERING LTD Delite Theatre Building, 2 nd Floor, Asaf Ali Road, New Delhi-110 002.	U74210DL1978PLC009175	Subsidiary Company	100.00	2(87)
5.	DIVYASHREE COMPANY PRIVATE LIMITED Patriot House, 3, Bahadur Shah Zafar Marg, New Delhi-110 002	U10100DL2008PTC178373	Subsidiary Company	61.00	2(87)
6.	DWARKESH ENERGY LIMITED Gulab Bhawan, 3 rd Floor 6A, Bahadur Shah Zafar Marg, New Delhi-110 002	U31200DL2005PLC278945	Associate Company	33.16	2(6)
7.	PSV ENERGY PRIVATE LIMITED Patriot House, 4 th Floor, 3, Bahadur Shah Zafar Marg, New Delhi-110 002	U40300DL2013PTC258991	Associate Company	26.00	2(6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 st April 2019)				No. of Shares held at the end of the year (as on 31 st March 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a. Individual/HUF	-	-	-	-	-	-	-	-	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt (s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	2189314	-	2189314	88.17	2189580	-	2189580	88.18	0.01
e. Banks / FI	-	-	-	-	-	-	-	-	-
f. Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	2189314	-	2189314	88.17	2189580	-	2189580	88.18	0.01
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoters (A)=(A) (1)+(A)(2)	2189314	-	2189314	88.17	2189580	-	2189580	88.18	0.01
B. Public shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	57401	57401	2.31	-	57401	57401	2.31	-
ii) Overseas	-	154200	154200	6.21	-	154200	154200	6.21	-
b) Individuals									
i) Individual share holders holding nominal share capital upto ₹ 1 lac	3430	57453	60883	2.45	3862	56577	60439	2.43	-0.02
ii) Individual share holders holding nominal share capital in excess of ₹ 1 lac	889	20379	21268	0.86	1067	21379	21446	0.86	0.01
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	4319	289433	293752	11.83	4929	288557	293486	11.82	-0.01
Total Public Share holding (B)=(B)(1)+(B)(2)	4319	289433	293752	11.83	4929	288557	293486	11.82	-0.01
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2193633	289433	2483066	100.00	2194509	288557	2483066	100.00	-

(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1 st April 2019)			Share holding at the end of the year (as on 31 st March 2020)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Bengal & Assam Company Limited	2189314	88.17	-	2189580	88.18	-	0.01
	Total	2189314	88.17	-	2189580	88.18	-	0.01

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SI No.		Shareholding at the beginning of the year (as on 1 st April 2019)		Cumulative Shareholding during the year (as on 31 st March 2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	2189314	88.17	2189314	88.17
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):			266	0.01
3	At the end of the year			2189580	88.18

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

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Henry F. Cockill & Sons Ltd.	154200	6.21	154200	6.21
2	Accurate Finman Services Limited	23796	0.96	23796	0.96
3	Hari Shankar Singhania Holdings Private Limited	20150	0.81	20150	0.81
4	KOR Investments Ltd.	13333	0.54	13333	0.54
5	Shri Bharat Hari Singhania	8075	0.33	8328	0.34
6	Smt.Vinita Singhania	7743	0.31	7921	0.32
7	Shri Anshuman Singhania	6715	0.27	6715	0.27
8	Shri Shrivats Singhania	6715	0.27	6715	0.27
9	Mr.Sunil K. Mittal (Jt.) Mrs.Kadambari S. Mittal	4033	0.16	4033	0.16
10	Mrs.Kadambari S. Mittal (Jt.) Mr.Sunil K. Mittal	3133	0.13	3133	0.13

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (as on 01.04.2019)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Dr.Raghupati Singhania	21268	0.86	21446	0.86
2	Shri Harsh Pati Singhania	6715	0.27	6715	0.27
3	Shri Vikrampati Singhania	6715	0.27	6715	0.27
4	Shri Nagaraju Srirama	1	-	1	-

Shri Harsh Vardhan Lodha, Shri Rahul Chandrakant Kirloskar, Shri Bakul Jain, Smt.Mamta Singhania and Shri Surendra Malhotra, Directors of the Company, Shri Amit Agarwal, CFO and Shri R Vijayaraghavan, Company Secretary were not holding any shares in the Company at the beginning of the year, i.e., as on 1st April 2019 and at the end of the year i.e., as on 31st March 2020. Also, there was no increase/ decrease in their shareholding during the financial year.

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ In Lacs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12,797.82	250.00	4,405.15	17,452.97
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	12,797.82	250.00	4,405.15	17,452.97
Change in Indebtedness during the financial year				
- Addition	8,147.29	4,869.36	1,099.50	14,116.15
- Reduction	5,451.36	3,475.85	1,456.55	10,383.76
Net Change (Principal only Amount)	2,695.93	1,393.51	(357.05)	3,732.39
Indebtedness at the end of the financial year				
i) Principal Amount	15,493.75	1,643.51	4,048.10	21,185.36
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	38.87	8.24	-	47.11
Total (i+ii+iii)	15,532.62	1,651.75	4,048.10	21,232.47

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ In Lacs)**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total amount
		Managing Director Shri Vikrampati Singhania	Whole-time Director Shri Nagaraju Srirama	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	603.86	165.21	769.07
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	40.34	0.40	40.74
2	Commission- as % of profit and Others	70.00	-	70.00
3	Others (mainly contribution to Provident and Superannuation Funds)	61.92	11.06	72.98
	Total (A)	776.12	176.67	952.79
	Ceiling as per the Act	₹ 972.95 lacs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

B. Remuneration to other directors:**(₹ In lacs)**

Particulars of Remuneration		Name of Directors			Total Amount	
1	Independent Directors	Shri Surendra Malhotra	Shri Rahul Chandrakant Kirloskar	Shri Bakul Jain		
	- Fee for attending Board meetings	1.50	0.90	1.20	3.60	
	- Fee for attending Committee meetings	2.00	0.60	1.10	3.70	
	- Commission	1.00	1.00	1.00	3.00	
	Total (1)	4.50	2.50	3.30	10.30	
2	Other Non-Executive Directors	Dr.Raghupati Singhania	Shri H.V. Lodha	Shri Harsh Pati Singhania	Smt. Mamta Singhania	
	- Fee for attending Board meetings	1.20	0.60	1.50	0.60	3.90
	- Fee for attending Committee meetings	0.50	-	0.20	-	0.70
	- Commission	60.00	1.00	30.00	1.00	92.00
	Total (2)	61.70	1.60	31.70	1.60	96.60
	Total (B)=(1+2)					106.90
	Total Managerial Remuneration [(A)+(B)]					* 1059.69
	Overall Ceiling as per the Act	₹1070.25 lacs (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

* Total Remuneration paid to Managing Director, Whole-time Director and other Directors (being the total A & B), includes sitting fees of ₹ 11.90 lacs.

C. Remuneration to key managerial personnel (KMP) other than MD / MANAGER / WTD**(₹ In lacs)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri Amit Agarwal, CFO	Shri R.Vijayaraghavan, Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	114.54	33.20	147.74
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.32	0.32	0.64
2	Others, (mainly contribution to PF& Superannuation Fund)	6.32	2.41	8.73
	Total	121.18	35.93	157.11

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March 2020.

On behalf of the Board

Place : New Delhi

Date : 14th May 2020**Dr.Raghupati Singhania**

Chairman

ANNEXURE B TO THE DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) CONSERVATION OF ENERGY

(i) the Steps taken or impact on conservation of energy:

The Company has worked on many initiatives to reduce power and fuel consumption. They were as follows:

- a) Modification of steam pipe layout with effective heat insulation to avoid the radiation losses.
- b) Conventional motors replaced with energy efficient motors and drives.
- c) Modification of hydraulic circuits with pressure holding systems.
- d) Closed loop systems in the water cooling equipments to reduce the water consumption.

With the above steps, the Company could reduce the energy, fuel & water consumption to a greater extent.

(ii) the steps taken by the Company for utilising alternate sources of energy:

Our focus has been greatly on renewable energy. A number of initiatives taken in this regard have started yielding results and would prove even better in coming years.

The Company generated about 113.84 lacs units of power from its wind plants located in Tamilnadu. Your Company also generated about 62.15 lacs units of power through its solar plants located in Tamilnadu and Telangana. Total power generated using alternate energy during the year is 175.99 lacs units.

With this, the Company generated about 79.49% of its energy requirement through renewable energy.

(iii) the capital investment on energy conservation equipments:

Your Company has invested in various energy efficient systems at all the Plants, which helped to reduce specific power and fuel consumption.

(B) TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption:

Your Company worked on many new products to suit the enhanced performance demanded by Automotive and Industrial customers. All the developments were championed by R&D Team with support from various External partners.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution:

- Company could develop various import substitution products in segments like Defence and Electric Vehicles.
- Company could develop new generation seals and belts in collaboration with customers, which helped to enhance the life in a big way.

(iii) in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) – Nil.

(iv) the expenditure incurred on Research & Development:

i) Areas of R&D Activities

The Company has been continuously upgrading its facilities to provide the best products to customers at competitive pricing, through product and process innovation. The Company also enhanced its validation capacity in a big way.

ii) Research & Development Expenses

The capital expenditure incurred on R&D during the year was ₹ 0.76 Crores and recurring expenditure amounted to ₹ 12.33 Crores, with the total expenditure of ₹ 13.09 Crores, 1.73% of the turnover.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO	₹ in Crores	
	2019-20	2018-19
Earnings in Foreign Exchange	135.46	143.05
Foreign Exchange Outgo	98.69	94.43

On behalf of the Board

Place : New Delhi

Date : 14th May 2020

Dr.Raghupati Singhania

Chairman

ANNEXURE C TO THE DIRECTORS' REPORT

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,

J.K. Fenner (India) Limited

CIN: U24231TN1992PLC062306

3, MADURAI-MELAKKAL ROAD

MADURAI – 625016

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by J.K. Fenner (India) Limited (CIN: U24231TN1992PLC062306) (hereinafter called "the Company") having its Registered Office at 3, Madurai-Melakkal Road, Madurai – 625 016. 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 during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Since the Company is an unlisted Public Company and hence the question of complying with the provisions of the Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under does not arise;
- (iii) The Depositories Act, 2018 and the Regulations and Bye-laws framed there under;
- (iv) During the year under review, the Company has complied with the applicable provisions of Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under. There is no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the year under review;
- (v) Since the Company is an unlisted Public Company, the provisions of the following Regulations (a to i) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable:-
 - 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;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - 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;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
 - i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) As per the information furnished to us by the Company, no specific laws/acts are applicable to the Company. Based on the information furnished to us and explanation provided to us, we have examined the adequacy of systems and processes in place to monitor and ensure compliance with Labour laws, Economic laws, etc.

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

Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

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

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. There are certain businesses that can be transacted through Video Conferencing / Audio Visual means as provided for under the Companies Act, 2013 and the relevant Rules made there under. The Company has properly convened & recorded in compliance with Rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014 businesses that have been transacted through Video Conferencing / Audio Visual means.

Based on the verification of the records and minutes, the decisions were carried out with the consent of majority of the Board of Directors / Committee Members and there were no dissenting members views recorded in the minutes.

We further report that based on review of compliance mechanism established by the Company and on basis of the Compliance certificate(s) place before the Board and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

We further report that during the audit period, National Company Law Tribunal, Kolkata Bench and Chennai Bench ("NCLT"), vide their orders dated 5th November, 2018 and 3rd May, 2019 had sanctioned the Scheme of Arrangement between Florence Investech Limited, BMF Investments Limited, J.K. Fenner (India) Limited and Bengal & Assam Company Limited ("Transferee Company") and their respective shareholders pursuant to Section 230 and 232 of the Companies Act, 2013.

For R.SRIDHARAN & ASSOCIATES

COMPANY SECRETARIES

CS R.SRIDHARAN

CP No. 3239, FCS No. 4775

UIN : S2003TN063400

UDIN: F004775B000233740

Place : CHENNAI

Date : 14th MAY, 2020

Note: This Report is to be read with letter of even date by Secretarial Auditor, which is annexed as Annexure A and Forms an integral part of this report.

The Members,

J.K. Fenner (India) Limited

3, MADURAI-MELAKKAL ROAD

MADURAI – 625016

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Where ever 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 procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For R.SRIDHARAN & ASSOCIATES

COMPANY SECRETARIES

CS R.SRIDHARAN

CP No. 3239, FCS No. 4775

UIN : S2003TN063400

UDIN: F004775B000233740

Place : CHENNAI

Date : 14th MAY, 2020

ANNEXURE D TO THE DIRECTORS' REPORT

**ANNUAL REPORT ON CSR ACTIVITIES UNDERTAKEN BY THE
COMPANY DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2020**

- 1. Brief outline of Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.**

The Company has been one of the foremost proponents of inclusive growth and since inception, has been continuing to undertake projects for overall development and welfare of the society in the areas pertaining to promoting preventive healthcare, education, rural development, environment sustainability and conservation of natural resources, etc.

As required under the provisions of Section 135 of the Companies Act, 2013, the Company has framed a CSR Policy. The details of the CSR Policy have been posted on the website of the Company and the web-link for the same is www.jkfennerindia.com/csrapolicy.aspx.

As mentioned above, various activities/ projects/programs undertaken by the Company as per the CSR Policy are in the areas of livelihood enhancement, health care including sanitation, education including adult literacy and single teacher schools, etc.

- 2. The composition of the CSR Committee:**

Shri Vikrampati Singhanian, Managing Director (Chairman of the Committee), Non-Independent Director;

Shri Surendra Malhotra, Independent Director; and

Shri Nagaraju Srirama, President & Director, Non-Independent Director.

- | | |
|---|-------------------------|
| 3. Average Net Profit of the company for last three financial years: | : ₹ 9999.83 Lacs |
| 4. Prescribed CSR Expenditure (two per cent of the amount as in item No.3 above) | : ₹ 200.00 Lacs. |
| 5. Details of CSR spent during the financial year | : 2019-20 |
| (a) Total amount to be spent during the financial year | : ₹ 201.06 Lacs |
| (b) Amount unspent, if any | : Nil |

(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the project is covered (Clause no. of Schedule VII of the Companies Act, 2013 as amended)	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or program-wise (₹ in Lacs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: (₹ in Lacs)	Cumulative expenditure up to the reporting period (₹ in Lacs)	Amount spent: Direct or through implementing agency
1.	Sanitation	Cl.(i)- Preventive health care and promotion of sanitation and making available safe drinking water.	Madurai & Chennai (Tamil Nadu)	45.00	23.33	82.07	Direct
2.	Health Care		Madurai & Chennai (Tamil Nadu, Hyderabad (Telangana)		52.03		NGO/Direct
3.	Eye Camp		Madurai & Chennai (Tamil Nadu), Hyderabad (Telangana)		6.71		Sankar Nethralaya/ Vasani Eye Care/ Agarwal Hospital, NGO
4.	Adult Literacy, Vocational Skills (Self Help Groups)	Cl.(ii)- Promoting education	Madurai & Chennai (Tamil Nadu) and Hyderabad (Telangana)	115.00	81.28	81.28	Direct
5.	Revamping water resources	Cl.(iv)- Ensuring environmental sustainability, ecological balance	Madurai & Chennai (Tamil Nadu) and Hyderabad (Telangana)	4.00	12.05	14.75	Direct/NGO
6.	Tree plantation				2.70		Direct
7.	Promoting Sports	Cl.(vii)-training to promote rural sports, nationally recognized sports, Paralympic sport and Olympic sports.	Madurai & Chennai (Tamil Nadu) and Hyderabad (Telangana)	1.00	-	-	-
8.	Enhancement of Livelihood through village development	Cl.(x)-Rural Development Projects	Madurai & Chennai (Tamil Nadu) and Hyderabad (Telangana)	25.00	19.03	19.03	Hand in Hand (NGO)
9.	Administrative overheads			10.00	3.93	3.93	
Total				200.00		201.06	

6. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place : New Delhi
Date : 14th May 2020

(Shri Nagaraju Srirama)
President & Director

(Shri Vikrampati Singhania)
Chairman, CSR Committee

ANNEXURE E TO THE DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY

In accordance with the provisions of the Companies Act, 2013, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company including criteria for determining qualifications, positive attributes, independence of a Director as well as on Board diversity. The Policy, inter alia, provides as follows:

- (i) The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board for appointment as a Director of the Company:
 - (a) Qualifications & experience;
 - (b) Positive attributes like-respect for Company's core values, professional integrity, strategic capability with business vision, etc.;
 - (c) In case the proposed appointee is an Independent Director, he should fulfil the criteria for appointment as Independent Director as per the applicable laws & regulations;
 - (d) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.
- (ii) The Committee will recommend to the Board appropriate compensation to the Executive Directors subject to the provisions of the Act, and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.
- (iii) The Board will review the performance of the Board of Directors, its committees and individual directors as per the manner of performance evaluation specified by the Committee from time to time.
- (iv) The Committee will review from time to time the Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and Board diversity in mind in recommending any new name of Director for appointment to the Board.
- (v) The eligibility criteria for appointment of Key Managerial Personnel (KMP) and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of KMP shall be filled by senior personnel having relevant qualifications and experience. The Compensation structure for KMP and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

On behalf of the Board

Dr.Raghupati Singhania

Chairman

Place : New Delhi
Date : 14th May 2020

INDEPENDENT AUDITOR'S REPORT To THE MEMBERS OF J.K. FENNER (INDIA) LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of **J.K. FENNER (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

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, of the state of affairs of the Company as at 31st March, 2020, and its profit (including Other Comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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. The Annual Report is expected to be made available to us after the date of this Auditors' Report. 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.

Responsibility 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 financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting standard (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 implementation and maintenance of 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, Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a

reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Report on Other Legal and Regulatory Requirements

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

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- 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 its financial statements – Refer Note No. 36 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.
- h) The managerial remuneration for the year ended 31st March, 2020 has been paid/ provided for by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

For **LODHA & CO.,**
Chartered Accountants
Firm's Registration No. 301051E

(N.K. Lodha)
Partner

Place : New Delhi
Date : 14th May 2020

Membership No.085155
UDIN : 20085155AAAABL7017

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **J.K. FENNER (INDIA) LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards

and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

For **LODHA & CO.**,
Chartered Accountants
Firm's Registration No. 301051E

(N.K. Lodha)
Partner

Place : New Delhi
Date : 14th May 2020

Membership No.085155
UDIN : 20085155AAAABL7017

To the members of J.K. FENNER (INDIA) LIMITED on the financial statements for the year ended 31st March, 2020, we report that:

- (i) In respect of the Company's fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets are physically verified by the management according to the phased program designed to cover all the items over a period of three years (accordingly during the year, few items have been physically verified) which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification, discrepancies have duly been adjusted in the financials.
 - c) According to the information and explanations given to us and on the basis of our examination of the records, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories of the Company (except stock lying with the third parties and in transit, for which confirmations have been received/material received) have been physically verified by the management at reasonable intervals and the procedures of physical verification of inventory followed by the management are reasonable, (year-end inventory has been considered as verified/ slashed physical inventory as per the books after considering the roll forward procedures) in relation to the size of the Company and nature of its business. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
- (iii) (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the Company to one of the party (Read with note no.-62) covered in the register maintained under

section 189 of the Companies Act, 2013, are not prejudicial to the Company's interest;

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the schedule of repayment of principal and payment of interest has been stipulated and the repayments are regular;
- (c) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that there is no amount which is overdue for more than 90 days, hence, not commented upon.
- (iv) According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Sections 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed thereunder with regard to deposits accepted from the public. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of the cost records under section 148(1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- (vii)
- (i) (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty,

Excise Duty, Cess and other material statutory dues, with the appropriate authorities. Further, there were no arrears of undisputed statutory dues as at 31st March, 2020, which were outstanding for a period of more than six months from the date they became payable except the VAT/CST of ₹ 4.48 Lacs as explained by the management the amounts were remitted to the department but not yet presented for bank clearing, provident fund of ₹ 13.40 Lacs (on account of mismatch of data in ADHAAR card and secondary school certificate due to which online upload is not feasible) and interest of ₹ 77.71 Lacs on GST.

- (b) According to the records and information & explanations given to us, certain dues in respect of income tax, sales tax, service tax and excise duty that have not been deposited with the appropriate authority on account of dispute and the forum where the dispute is pending are given below:

Name of the Statute	Nature of Dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	58.88	1996-97, 1998-99 to 2001-02 April to December 2002, 2003-04 & 2005-06	Commissioner Appeals, Meerut, Uttar Pradesh
Central Excise Act, 1944	Excise Duty	20.37	2010-11 to 2015-16	High Court, Chennai
Finance Act, 1994	Service Tax	8.51	July '15 to March '16	Commissioner (Appeals) Madurai
Central Sales Tax Act and Sales Tax Act of Various States	Sales Tax	598.72	1991-92 to 2004-05	Assistant / Dy. Commissioner (Madurai)

Name of the Statute	Nature of Dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act and Sales Tax Act of Various States	Sales Tax	126.98	1991-92 to 2004-05	Sales Tax Committee, (Tribunal), Moradabad, U.P.
Rajasthan Value Added Tax 2003	Sales Tax	487.09	2012-13 & 2013-14	Rajasthan Tax Board Ajmer
Income Tax Act 1961	Income Tax	911.52	AY 2016-17	CIT (Appeals) I, Madurai
Income Tax Act 1961	Income Tax	42.22	AY 2017-18	CIT (Appeals) I, Madurai
The West Bengal Tax on Entry of Goods into Local Areas Act	Entry Tax	69.00	2013-14 to 2016-17	High Court, Calcutta

(viii) In our opinion, on the basis of audit procedures and according to the information and explanation given to us, the Company has not defaulted in repayment of loans and borrowings to financial institutions, banks. The Company has not taken any loans from Governments or debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any monies by way of initial public offer or further public offer during the financial year, and the term loans raised by the Company have been applied for the purpose for which they were obtained other than temporary deployment of ECB funds, pending application where such end use has been stipulated by the lender(s).

(x) Based on the audit procedures performed and on the basis of information and explanations provided by the

management, no material fraud by the Company and on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) On the basis of records and information and explanations made available and based on our examinations of the records of the Company, the Company has paid / provided managerial remuneration, in accordance with the requisite approvals mandated under Section 197 read with schedule V of the Act. (Refer Note no. 53(B)).

(xii) The Company is not a chit fund or a nidhi / mutual benefit fund / society, therefore, the provisions of clause 3(xii) of the said Order are not applicable to the Company, hence we are not offering any comment.

(xiii) As per the information and explanations and records made available by the management of the Company and audit procedures performed, for the related parties transactions entered during the year, the Company has complied with the provisions of section 177 and 188 of the Act where applicable. As explained and as per the records / details, the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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

For **LODHA & CO.,**
Chartered Accountants
Firm's Registration No. 301051E

(N.K. Lodha)
Partner

Place : New Delhi
Date : 14th May 2020

Membership No.085155
UDIN : 20085155AAAABL7017

J.K. FENNER (INDIA) LTD.
BALANCE SHEET AS AT 31ST MARCH, 2020

₹ in Lacs

	Note No.	As at 31.03.2020	As at 31.03.2019
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	31,138.91	29,859.03
(b) Capital Work-In-Progress		945.80	583.98
(c) Investment Property	3	10.40	10.52
(d) Other Intangible Assets	4	135.66	101.09
(e) Intangible Assets under Development		3.09	3.09
(f) Financial Assets			
i) Investments	5	20,014.46	19,936.76
ii) Loans receivable	6	13,000.00	11,000.00
iii) Other financial assets	7	2,547.17	3,544.36
(g) Other Non-Current Assets	8	1,447.27	528.71
		69,242.76	65,567.54
(2) Current Assets			
(a) Inventories	9	11,604.98	8,457.50
(b) Financial Assets			
i) Trade receivables	10	11,506.65	15,802.22
ii) Cash and cash equivalents	11	3,668.32	3,730.25
iii) Other bank balances	12	712.05	963.59
iv) Loans receivable	13	6,570.00	5,500.00
v) Other financial assets	14	1,830.10	79.41
(c) Current tax assets (net)	15	4,464.94	4,465.81
(d) Other Current Assets	16	3,111.13	3,060.80
		43,468.17	42,059.58
TOTAL ASSETS		1,12,710.93	1,07,627.12
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	17	248.31	248.31
(b) Other Equity		61,829.15	58,276.79
		62,077.46	58,525.10
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	18	18,772.78	14,324.69
ii) Other financial liabilities	19	5,812.97	4,868.46
(b) Provisions	20	400.09	342.79
(c) Deferred tax liabilities (Net)	21	1,555.42	2,234.08
(d) Other Non-Current Liabilities	22	671.56	710.85
		27,212.82	22,480.87
(2) Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	23	7,492.07	6,039.61
ii) Trade payables	24		
Micro and Small Enterprises		886.29	1,098.60
Others		7,758.80	8,055.80
iii) Other financial liabilities	25	4,569.66	7,821.73
(b) Provisions	26	143.06	187.92
(c) Other Current Liabilities	27	2,570.77	3,417.49
		23,420.65	26,621.15
TOTAL EQUITY AND LIABILITIES		1,12,710.93	1,07,627.12

Company overview, Basis of preparation and Significant Accounting Policies

1

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

As per our report of even date

RAGHUPATI SINGHANIA
Chairman

H.V. LODHA
HARSH PATI SINGHANIA
RAHUL C. KIRLOSKAR
BAKUL JAIN
MAMTA SINGHANIA
SURENDRA MALHOTRA
NAGARAJU SRIRAMA
Directors

For LODHA & CO.,
Chartered Accountants
Firm Registration No.301051E

VIKRAMPATI SINGHANIA
Managing Director

N.K. LODHA
Partner

R.VIJAYARAGHAVAN
Company Secretary
New Delhi, the 14th May 2020

AMIT AGARWAL
Chief Financial Officer

New Delhi, the 14th May 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	Note No.	2019-2020	2018-2019
₹ in Lacs			
I Income			
Revenue from Operations	28	75,780.57	80,852.30
Other Income	29	3,574.02	3,820.89
Total Income		79,354.59	84,673.19
II Expenses			
Cost of materials consumed		32,282.96	33,629.45
Changes in inventory of finished goods, stock in trade and work-in-progress	30	(2,515.69)	(1,589.95)
Purchase of stock in trade		4,142.49	4,416.43
Employee benefits expense	31	12,220.59	11,919.45
Finance costs	32	2,257.94	2,488.89
Depreciation and amortisation expense	33	4,187.07	3,940.60
Other expenses	34	18,072.53	19,355.96
Total expenses		70,647.89	74,160.83
III Profit before tax		8,706.70	10,512.36
IV Tax expense			
Current tax		2,870.70	3,642.40
Deferred tax		(662.17)	441.59
V Profit for the year		6,498.17	6,428.37
VI Other Comprehensive Income			
Items that will not be subsequently reclassified to Statement of Profit and loss			
Fair value changes in equity shares		(920.82)	(701.68)
Remeasurement losses on defined benefit plans		(65.53)	(160.78)
Tax relating to Items that will not be Reclassified to Statement of Profit and loss		16.49	56.18
Total Other Comprehensive Income		(969.86)	(806.28)
VII Total Comprehensive Income for the year		5,528.31	5,622.09
VIII Earnings per equity share of ₹ 10 each			
Basic / Diluted	43	₹ 261.70	₹ 258.88

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

As per our report of even date

RAGHUPATI SINGHANIA
Chairman

H.V. LODHA
HARSH PATI SINGHANIA
RAHUL C. KIRLOSKAR
BAKUL JAIN
MAMTA SINGHANIA
SURENDRA MALHOTRA
NAGARAJU SRIRAMA
Directors

For LODHA & CO.,
Chartered Accountants
Firm Registration No.301051E

VIKRAMPATI SINGHANIA
Managing Director

N.K. LODHA
Partner

R.VIJAYARAGHAVAN
Company Secretary
New Delhi, the 14th May 2020

AMIT AGARWAL
Chief Financial Officer

New Delhi, the 14th May 2020

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH, 2020

₹ in Lacs

I Share Capital

Particulars	As at 31.03.2020	As at 31.03.2019
Issued, Subscribed and fully paid up:		
Equity Shares - 24,83,066 of ₹ 10 each		
Balance at the beginning of the year	248.31	248.31
Changes in equity share capital during the year	-	-
Balance at the end of the year	248.31	248.31

II Other Equity

Particulars	Securities Premium	Capital Reserve	Capital Redemption Reserve	Retained Earnings		Other Compre- hensive Income	Total
				Surplus in P/L Statement	General Reserve		
As on 31 st March, 2018	140.00	258.11	77.10	9,522.75	40,918.69	3,234.78	54,151.43
Profit for the year	-	-	-	6,428.37	-	-	6,428.37
Other Comprehensive Income (Net of Taxes)	-	-	-	-	-	(806.28)	(806.28)
Dividend paid	-	-	-	(1,241.53)	-	-	(1,241.53)
Dividend distribution tax paid on dividend	-	-	-	(255.20)	-	-	(255.20)
As on 31 st March, 2019	140.00	258.11	77.10	14,454.39	40,918.69	2,428.50	58,276.79
Profit for the year	-	-	-	6,498.17	-	-	6,498.17
Other Comprehensive Income (Net of Taxes)	-	-	-	-	-	(969.86)	(969.86)
Dividend paid	-	-	-	(1,613.99)	-	-	(1,613.99)
Dividend distribution tax paid on dividend	-	-	-	(331.76)	-	-	(331.76)
Adjustments*	-	-	-	-	(30.20)	-	(30.20)
As on 31st March, 2020	140.00	258.11	77.10	19,006.81	40,888.49	1,458.64	61,829.15

* Refer Note no 61

As per our report of even date

RAGHUPATI SINGHANIA
Chairman

H.V. LODHA
HARSH PATI SINGHANIA
RAHUL C. KIRLOSKAR
BAKUL JAIN
MAMTA SINGHANIA
SURENDRA MALHOTRA
NAGARAJU SRIRAMA
Directors

For LODHA & CO.,
Chartered Accountants
Firm Registration No.301051E

VIKRAMPATI SINGHANIA
Managing Director

N.K. LODHA
Partner

R.VIJAYARAGHAVAN
Company Secretary
New Delhi, the 14th May 2020

AMIT AGARWAL
Chief Financial Officer

New Delhi, the 14th May 2020

J.K. FENNER (INDIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31ST, 2020

1.1 The Company overview

J.K. Fenner (India) Limited (the "Company") is a public limited company incorporated and domiciled in India. The registered office of the company is situated at 3, Madurai-Melakkal Road, Kochadai, Madurai - 625016, Tamilnadu, India. The Company is a subsidiary of Bengal & Assam Company Limited.

The Company develops, manufactures, trades, markets and distributes Belts, Oilseals, Engineering products and other auto component products. The Company markets its products for sale to industrial and vehicle manufacturers for fitment as original equipments and for sale in replacement markets worldwide. The Company has five manufacturing plants located in India at Madurai, Sriperumbudur, Nilakottai, Patancheru and Pashamailaram.

1.2 Basis of preparation of financial statements

(i) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Companies Act 2013. All accounting policies and applicable Ind AS have been applied consistently for all periods presented.

The financial statements have been prepared under historical cost convention on accrual basis, except for the items that have been measured at fair value as required by relevant Ind AS. The financial statements correspond to the classification provisions contained in Ind AS-1 (Presentation of Financial Statements).

The preparation of these financial statements requires management judgments, estimates and assumptions that affect the application of accounting policies, the accounting disclosures made and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are made in the period, in which, the estimates are revised and in any future periods, effected pursuant to such revision.

1.3 Significant accounting policies

The accounting policies set out below have been applied consistently throughout the periods presented in these financial statements.

1.3.1 Property, Plant and Equipment

Recognition and measurement:

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses directly attributable in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Expenditure directly attributable in bringing the asset to the location during construction / erection period is included under 'Capital Work-in-Progress' and is allocated to the respective property, plant and equipment on completion of construction / erection.

The cost and related accumulated depreciation are eliminated from the financial statements, upon sale and disposition of the assets and the resultant gains or losses are recognised in the statement of profit and loss.

Assets subjected to operating leases are included in Property, Plant and Equipment.

NOTES TO THE FINANCIAL STATEMENTS

Depreciation

Depreciation on property, plant and equipment has been provided using straight line method over their useful lives and in the manner prescribed under Schedule II of the Companies Act, 2013. However, in respect of certain assets including assets given on the operating lease, depreciation is provided as per the useful lives as assessed by the management supported by technical advice ranging from 9 to 24 years for plant and machinery.

1.3.2 Investment property

Investment property is property held either to earn rentals or for capital appreciation or both, but not for sale in the ordinary course of the business. Investment properties are measured at cost less accumulated depreciation and impairment losses, if any.

The cost and related accumulated depreciation are eliminated from the financial statements, upon sale, disposition and withdrawal from permanent use of the assets and when no future economic benefits are expected from its disposal. The resultant gains or losses are recognised in the statement of profit and loss.

1.3.3 Intangible Assets

Intangible assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the Company and cost of the asset can be measured reliably. The same are amortised over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any.

Specialised software is amortised over a period of five years from the year of installation.

1.3.4 Research and Development Cost

Revenue expenditure on research and development is charged to the Statement of Profit and Loss and capital expenditure is added to property, plant and equipment.

1.3.5 Lease

Implementation of Ind AS – 116

Ind AS 116 supersedes Ind AS 17 Leases including evaluating the substance of transactions involving the legal form of a lease. The standard sets out the principles for the recognition, measurement presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under Ind AS 116 is substantially unchanged in comparison with earlier under Ind AS 17. Lessors will continue to classify leases as either operating or finance lease using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the group is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1st April 2019.

Right of Use Assets

The Company recognises a right-of-use asset, on a lease-by-lease basis, to measure that right-of-use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

NOTES TO THE FINANCIAL STATEMENTS

The cost of right-of-use assets includes the amount of lease liabilities recognised. Initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment test.

Lease Liabilities

The Company recognise a lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on a lease by lease basis.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Short-term Leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgment in determining the lease term of contracts with renewal options.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

1.3.6 Foreign currency transactions and translation

The functional currency of the company is Indian rupee (₹). Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies as at the balance sheet date are translated at exchange rate prevailing at the year end. Exchange differences arising on actual payments / realisations and year end translations including on forward contracts are recognized within Statement of Profit and Loss.

1.3.7 Inventories

Inventories are valued at lower of cost or net realisable value. The cost is computed on weighted average basis. Finished goods and process stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.3.8 Borrowing cost

Borrowing Cost is charged to statement of profit and loss except borrowing cost meant for acquisition of qualifying assets, which is capitalised, using the effective interest method till the date of commercial use.

NOTES TO THE FINANCIAL STATEMENTS

1.3.9 Employee benefits

(a) Defined contribution plans

Contributions to the Employees' Regional Provident Fund, Superannuation Fund, Employees Pension Scheme and Employees' State Insurance are recognised as defined contribution plan and charged as expenses during the period in which the employees perform the services.

(b) Defined benefit plan

Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit plan and determined on an actuarial valuation using the projected unit credit method at the Balance Sheet date. Actuarial gains or losses through remeasurement of the net obligation of a defined benefit liability or asset are recognised in Other Comprehensive Income. Such re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

The Provident Fund Contribution other than contribution to Employees' Regional Provident Fund, is made to Trust administered by the trustees. The interest rate to the members of the Trust shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952. The Employer shall make good deficiency, if any.

(c) Short term employee benefits

Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

1.3.10 Income tax

Income tax comprises of current and deferred tax. Income tax expense is recognised in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in Equity or in Other Comprehensive Income.

- a) Current tax: Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961.
- b) Deferred tax: Deferred Tax is recognised for temporary differences. However, Deferred Tax Asset is recognised to the extent that, it is probable that taxable income will be available against which the same can be realised.

1.3.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the present value of best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Contingent liabilities (if material) are disclosed by way of notes to accounts. Contingent assets if any, are disclosed in financial statements.

1.3.12 Financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS

(a) Financial assets

Financial assets include cash and cash equivalents, trade and other receivables, loans, investments in securities and other eligible current and non-current assets.

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under one of the following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

Financial assets at amortised cost:

At the date of initial recognition, these financial assets are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate ("EIR") method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the statement of profit and loss.

Financial assets at fair value through other comprehensive income:

At the date of initial recognition, these financial assets are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the EIR method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

Financial assets at fair value through profit or loss:

At the date of initial recognition, financial assets that are held for trading, or which are measured neither at amortised cost nor at fair value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

Investment in equity shares of subsidiaries and associates are valued at cost.

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

The Company assesses impairment based on the expected credit losses ("ECL") model to all its financial assets except equity instruments measured at fair value and financial assets measured on fair value through profit and loss ("FVTPL") basis.

(b) Financial liabilities

Financial liabilities include long-term and short-term loans and borrowings, trade and other payables and other eligible current and non-current liabilities.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and other payables, net of directly attributable transaction costs. After initial recognition, financial liabilities are classified under one of the following two categories:

NOTES TO THE FINANCIAL STATEMENTS

Financial liabilities at amortised cost:

After initial recognition, such financial liabilities are subsequently measured at amortised cost by applying the EIR method to the gross carrying amount of the financial liability. The EIR amortisation is included in finance expense in the statement of profit and loss.

Financial liabilities at fair value through profit or loss:

Financial liabilities which are designated as such on initial recognition, or which are held for trading. Fair value gains / losses attributable to changes in own credit risk is recognised in OCI. These gains / losses are not subsequently transferred to Statement of Profit and Loss. All other changes in fair value of such liabilities are recognised in the Statement of Profit and Loss.

1.3.13 Derivative financial instruments:

Derivative instruments such as forward currency contracts are used to hedge foreign currency risks. Premium in respect of forward contracts is recognised over the life of contract. Gain or loss arising on remeasuring derivative instruments identified as effective fair value hedges and ineffective cash flow hedges is accounted for in the statement of profit and loss.

1.3.14 Revenue:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The specific recognition criteria described below should also be met before revenue is recognised.

Revenue is recognised when the significant risks and rewards of ownership have been passed on to buyer. Revenue is measured at the fair value of the consideration received or receivable net of returns, allowances, trade discounts, volume discounts and taxes.

Inter-unit transfer of goods for captive consumption are included in respective heads of accounts to reflect the true working. Any unrealised profits on unsold stock is not considered for valuing the inventory. This has no impact on the profitability.

Rental income from investment property is recognized as part of the other non operating income in the statement of profit and loss on a straight line basis over the term of the lease except where the rentals are structured to increase in line with the expected general inflation.

Dividend income is recognized in the statement of profit and loss on the date on which the Company's right to receive payment is established.

Interest income is recognized using the effective interest rate method.

The application of Ind AS 115 does not have any significant impact on recognition and measurement of revenue and related items in the financial statement.

1.3.15 Government Grants

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with. Revenue grants are recognised in the

NOTES TO THE FINANCIAL STATEMENTS

Statement of Profit and Loss. Capital Grants relating to specific assets are recognised in the Balance Sheet as deferred income and credited in statement of profit and loss on a systematic basis over the useful life of the related asset.

Export incentives are recognised in the Statement of Profit and Loss.

1.3.16 Impairment

The carrying amount of property, plant and equipments, intangible assets and investment property are reviewed at each Balance Sheet date to assess impairment if any, based on internal / external factors. An asset is treated as impaired, when the carrying cost of asset or cash generating unit exceeds its recoverable value, being higher of value in use and fair value less costs of disposal. An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount.

1.3.17 Earnings per share (EPS)

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

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

1.3.18 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, cheques on hand and remittances in transit for the purpose of meeting short-term cash commitments.

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

NON CURRENT ASSETS

2 Property, plant and equipment

Particulars	Gross Value				Depreciation				Net Value	
	As at 01/4/2019	Additions	Sales / Adjustments	As at 31/3/2020	As at 1/4/2019	For the year	Sales / Adjustments	As at 31/3/2020	As at 31/3/2020	As at 31/3/2019
Land - Freehold	2,674.99 (2,674.99)	-	-	2,674.99 (2,674.99)	-	-	-	-	2,674.99 (2,674.99)	2,674.99 (2,674.99)
Land - Leasehold	331.37 (331.37)	-	-	331.37 (331.37)	25.26 (21.57)	3.69 (3.69)	-	28.95 (25.26)	302.42 (306.11)	306.11 (309.80)
Buildings	8,935.19 (8,046.03)	270.48 (955.66)	1.83 (66.50)	9,203.84 (8,935.19)	2,888.06 (2,490.42)	416.04 (424.02)	1.73 (26.38)	3,302.37 (2,888.06)	5,901.47 (6,047.13)	6,047.13 (5,555.61)
Right to Use of Assets	-	689.72	-	689.72	-	197.70	-	197.70	492.02	-
Plant and Equipment	47,218.87 (43,662.54)	4,356.13 (3,640.39)	300.64 (84.06)	51,274.36 (47,218.87)	27,535.81 (24,459.97)	3,197.21 (3,146.75)	280.48 (70.91)	30,452.54 (27,535.81)	20,821.82 (19,683.06)	19,683.06 (19,202.57)
Furniture and Fixtures	1,092.02 (1,087.39)	48.86 (42.16)	9.79 (37.53)	1,131.09 (1,092.02)	844.79 (817.41)	56.21 (61.15)	8.41 (33.77)	892.59 (844.79)	238.50 (247.23)	247.23 (269.98)
Vehicles	702.37 (651.88)	44.57 (119.21)	54.14 (68.72)	692.80 (702.37)	273.01 (211.37)	108.37 (98.26)	28.66 (36.62)	352.72 (273.01)	340.08 (429.36)	429.36 (440.51)
Office Equipments	1,694.45 (1,605.12)	65.34 (114.80)	7.71 (25.47)	1,752.08 (1,694.45)	1,223.30 (1,082.71)	168.10 (164.36)	6.93 (23.77)	1,384.47 (1,223.30)	367.61 (471.15)	471.15 (522.41)
Total	62,649.26 (58,059.32)	5,475.10 (4,872.22)	374.11 (282.28)	67,750.25 (62,649.26)	32,790.23 (29,083.45)	4,147.32 (3,898.23)	326.21 (191.45)	36,611.34 (32,790.23)	31,138.91 (29,859.03)	29,859.03 (28,975.87)

Figures in brackets represent amounts pertaining to previous year.

- Land, buildings and plant & equipment transferred under the Scheme of Amalgamation during the year 2006-07 were revalued as at 31st August 1985 and as at 31st March 1995. The revaluation in respect of factory, service buildings and plant and equipment was further updated as at 31st March 1998 based on current replacement cost by a valuer and as a result, book value of the said assets had been increased by ₹ 2990.53 lacs.
- Includes capitalisation of finance cost - Plant and equipment Nil (Previous year Nil)
- Plant and equipment includes certain equipment ₹ 10,200 lacs (Previous year ₹ 10,200 lacs) given on lease (Refer Note 40).

3 Investment Property

Particulars	Gross Value				Depreciation				Net Value	
	As at 1/4/2019	Additions	Sales / Adjustments	As at 31/3/2020	As at 1/4/2019	For the year	Sales / Adjustments	As at 31/3/2020	As at 31/3/2020	As at 31/3/2019
Land - Freehold	5.75 (5.75)	-	-	5.75 (5.75)	-	-	-	-	5.75 (5.75)	5.75 (5.75)
Buildings	37.94 (37.94)	-	-	37.94 (37.94)	33.17 (33.05)	0.12 (0.12)	-	33.29 (33.17)	4.65 (4.77)	4.77 (4.89)
Total	43.69 (43.69)	-	-	43.69 (43.69)	33.17 (33.05)	0.12 (0.12)	-	33.29 (33.17)	10.40 (10.52)	10.52 (10.64)

Figures in brackets represent amounts pertaining to previous year.

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

4 Other Intangible assets

Particulars	Gross Value				Depreciation				Net Value	
	As at 1/4/2019	Additions	Sales / Adjustments	As at 31/3/2020	As at 1/4/2019	For the year	Sales / Adjustments	As at 31/3/2020	As at 31/3/2020	As at 31/3/2019
Software	741.86 (718.21)	74.20 (23.65)	- -	816.06 (741.86)	641.23 (598.98)	39.63 (42.25)	- -	680.86 (641.23)	135.20 (100.63)	100.63 (119.23)
Trade mark License	501.35 (501.35)	- -	- -	501.35 (501.35)	500.89 (500.89)	- -	- -	500.89 (500.89)	0.46 (0.46)	0.46 (0.46)
Total	1,243.21 (1,219.56)	74.20 (23.65)	- -	1,317.41 (1,243.21)	1,142.12 (1,099.87)	39.63 (42.25)	- -	1,181.75 (1,142.12)	135.66 (101.09)	101.09 (119.69)

Figures in brackets represent amounts pertaining to previous year.

5 Financial Assets - Investments [Non - Current (Other than trade)]

Particulars	As at 31.03.2020		As at 31.03.2019	
	Numbers	Amount	Numbers	Amount
Investment in Equity shares				
Subsidiary companies (At cost)				
Southern Spinners and Processors Ltd. (₹ 10 each)	50,50,000	2,055.00	50,50,000	2,055.00
Modern Cotton Yarn Spinners Ltd. (₹ 10 each)	30,50,000	1,555.00	30,50,000	1,555.00
BMF Investments Ltd. (₹ 10 each)	-	-	3,01,989	30.20
Acorn Engineering Ltd. (₹ 10 each)	50,500	5.05	50,500	5.05
Divyashree Company Private Ltd (₹ 10 each)	7,123	8,016.70	7,123	8,016.70
Associate Company (At cost)				
Dwarkesh Energy Ltd. (₹ 10 each)	2,74,940	27.49	2,74,940	27.49
PSV Energy Pvt. Ltd. (₹ 10 each)	52,000	5.20	52,000	5.20
Others (At fair value through OCI)				
CliniRx Research Pvt. Ltd. (₹ 10 each)	10,00,000	110.97	10,00,000	110.97
Others (At cost)				
Madura Coats Workers' Co-operative Stores Ltd. (₹ 10 each)	15,790	0.16	15,790	0.16
Hari Shankar Singhania Elastomer and Tyre Research Institute (₹ 100 each)	10	0.01	10	0.01
The Madurai District Pandian Consumers' Co-operative Wholesale Stores Ltd. 'A' Class Share (₹ 50 each)	1	-	1	-
Investment in preference shares (At fair value through P & L)				
Dwarkesh Energy Ltd. (7% Optionally Convertible Cumulative Redeemable Preference Shares, fully paid up) (₹ 100 each)	11,00,000	1,088.88	11,00,000	980.98
Investment in preference shares (At Cost)				
HSS Holdings Private Ltd (1% Cumulative Redeemable Preference Shares) (₹ 100 each)	70,00,000	7,000.00	70,00,000	7,000.00
CliniRx Research Pvt. Ltd (8% Optionally Convertible Cumulative Redeemable Preference Shares) (₹ 10 each)	15,00,000	150.00	15,00,000	150.00
		20,014.46		19,936.76
Aggregate amount of quoted investments		-		-
Market value of quoted investments		-		-
Aggregate amount of unquoted investments		20,014.46		19,936.76
Aggregate provision for impairment in value of investments		-		-

Pursuant to the Scheme of Amalgamation, 180589 (Previous year 180589) Shares of Bengal & Assam Company Ltd (BACL) are held in the name of a Trustee on behalf of the Company, being Subsidiary of BACL against their holding in Netflix Finco Ltd. Accordingly, the amount against the said shares is shown under Other Financial Asset (Non Current) ₹ 2167.97 lacs. (Previous year ₹ 3088.79 lacs)

NOTES TO THE FINANCIAL STATEMENTS

	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
6 Loans receivable (Non-Current)		
(Unsecured, considered good)		
Loans to related party (Refer Note no 62a)	13,000.00	11,000.00
	13,000.00	11,000.00
7 Other Financial Assets (Non- Current)		
Security deposits	379.20	454.70
Other receivables	2,167.97	3,089.66
	2,547.17	3,544.36
8 Other Non - Current Assets		
Capital advances	1,218.99	190.29
Balances with Government Authorities	13.26	13.26
Others	215.02	325.16
	1,447.27	528.71
9 Inventories (Valued at lower of cost or net realisable value)		
Raw materials*	2,253.39	1,670.07
Work-in-progress	556.43	576.81
Finished goods **	7,508.25	4,851.95
Stock - in - trade	913.35	1,033.57
Stores and spares	373.56	325.10
	11,604.98	8,457.50
*Includes raw materials in transit ₹ 225.08 lacs (Previous year: ₹ 116.93 lacs)		
**Includes finished goods in transit ₹ 621.72 lacs (Previous year: ₹ 604.96 lacs).		
10 Trade receivables		
Considered good		
Secured	1,153.21	1,430.66
Unsecured	10,302.95	14,358.81
Unsecured which have significant increase in Credit risk	148.09	110.35
Credit Impaired	-	-
Total	11,604.25	15,899.82
Less : Allowance for Bad and Doubtful debts	(97.60)	(97.60)
	11,506.65	15,802.22

NOTES TO THE FINANCIAL STATEMENTS

	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
11 Cash and cash equivalents		
Cash on hand	4.85	2.84
Cheque in hand	-	-
Balances with banks		
Current accounts	1,213.47	227.41
Fixed Deposits	2,450.00	3,500.00
	<u>3,668.32</u>	<u>3,730.25</u>
12 Other bank balances		
Current accounts (Deposit repayment reserve)	412.88	656.77
Margin money deposit against bank guarantee	299.17	306.82
	<u>712.05</u>	<u>963.59</u>
13 Loans receivable (Current) (Unsecured, considered good)		
Loans to related party (Refer Note no 62 a&b)	6,500.00	5,500.00
Others	70.00	-
	<u>6,570.00</u>	<u>5,500.00</u>
14 Other financial assets		
Security Deposits	10.17	19.58
Advance to Employees	50.86	40.98
Other receivables	1,769.07	18.85
	<u>1,830.10</u>	<u>79.41</u>
15 Current tax assets (Net)		
Advance income-tax (Net of Provision ₹ 5566.74 lacs (Previous year: ₹ 5502.68 lacs)	4,464.94	4,465.81
	<u>4,464.94</u>	<u>4,465.81</u>
16 Other Current Assets		
Balances with Government Authorities	2,159.05	2,338.60
Export benefit receivable	543.10	342.90
Other advances	408.98	379.30
	<u>3,111.13</u>	<u>3,060.80</u>

NOTES TO THE FINANCIAL STATEMENTS

17. Share capital

Particulars	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
Authorised:		
Equity Shares-1,00,00,000 (Previous year 1,00,00,000) equity shares of ₹ 10 each	1,000.00	1,000.00
Preference Shares-80,00,000 (Previous year 80,00,000) preference shares of ₹ 100 each	8,000.00	8,000.00
	<u>9,000.00</u>	<u>9,000.00</u>
Issued, Subscribed and fully paid up:		
Equity Shares - 24,83,066 of ₹ 10 each		
Balance at the beginning of the year	248.31	248.31
Changes in equity share capital during the year	-	-
Balance at the end of the year	<u>248.31</u>	<u>248.31</u>
Aggregate number of equity shares allotted to shareholders as fully paid up pursuant to Scheme of amalgamation on 7th November 2007 without payment being received in cash (Nos)	23,13,000	23,13,000
Above includes shares allotted to holding company (Nos)	20,97,522	20,97,522
Reconciliation of the number of shares outstanding:		
Shares outstanding as at the beginning of the year	24,83,066	24,83,066
Changes during the year	-	-
Shares outstanding as at the end of the year	<u>24,83,066</u>	<u>24,83,066</u>
Details of each shareholder holding more than 5% shares:		
Name of the shareholders	No.of shares held	No.of shares held
Bengal & Assam Company Limited - Holding Company (Nos)	21,89,580	21,89,314
Henry F. Cockill & Sons Ltd, U.K. (Nos)	1,54,200	1,54,200

Rights and preferences attached to the equity shares

- The Company has only one class of Equity Shares having face value of ₹ 10 each and each shareholder is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

Details of shareholders holding more than 5% preference shares in the Company	Nos.	Nos.
Preference shares of ₹ 10 each fully paid		
JK Tyre and Industries Ltd.	70,00,000	70,00,000

- Preference share holders have priority over equity shares in payment of Dividend and in repayment of capital.
- Preference share shall be redeemed at premium of 4%.
- Each holder of preference share is entitled to one vote per share, in proportion to the amount paid on preference share held, only on resolutions placed before the Company which directly affects the rights attached to preference shares.

NON-CURRENT LIABILITIES

18 Financial Liabilities - Borrowings

Particulars	Non - Current		Current *	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Secured Loans				
Term loans				
Banks	8,306.77	4,829.79	833.20	2,291.48
Unsecured				
Banks	704.71	-	-	-
Fixed Deposits	2,761.30	2,494.90	1,126.20	1,797.20
1% Cumulative Redeemable Preference Shares	7,000.00	7,000.00	-	-
	18,772.78	14,324.69	1,959.40	4,088.68

* Payable during next 12 months

- Term loan of ₹ 7,470.07 lacs (Previous year Nil) from a bank secured by way of first charge on certain specified movable and immovable fixed assets of the company, repayable in 10 Half yearly equal instalments starting from April 2021.
- Term loan of ₹ 1,669.90 lacs (Previous year ₹ 2471.58 lacs) from a bank secured by way of first charge on certain specified movable fixed assets of the company, repayable in 7 equal quarterly instalment and balance ₹ 211.80 lacs as 8th instalment ending on March 2022.
- Unsecured loans from banks include Buyer's credit outstanding ₹ 704.71 lacs. (Previous year Nil).
- Fixed Deposit of ₹ 1441.00 lacs and ₹ 1320.30 lacs aggregating ₹ 2761.30 lacs are due for repayment in 2021-22 and 2022-23 respectively.
- During the year 2017-18, cumulative redeemable preference shares were issued at par value of ₹ 100 per share redeemable in five equal installments alongwith 4% premium on redemption including coupon rate (1%) at the end of each of 6/7/8/9/10th year, i.e., from the date of allotment 26th April 2017.

NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2020	₹ in Lacs As at 31.03.2019
19 Other financial liabilities		
Trade deposits	1,806.21	1,690.44
Deferred payment liabilities	3,390.43	3,091.63
Others	616.33	86.39
	<u>5,812.97</u>	<u>4,868.46</u>
20 Non-Current Provisions		
Provision for employee benefits		
Leave Encashment	400.09	342.79
	<u>400.09</u>	<u>342.79</u>
21 Deferred tax liabilities (Net)		
Deferred tax liabilities:		
Property, Plant and Equipment and Others	1,789.02	2,404.14
Deferred tax assets:		
Expenses for Provision Allowable	(233.60)	(170.06)
	<u>1,555.42</u>	<u>2,234.08</u>
22 Other Non - Current liabilities		
Other liabilities	671.56	710.85
	<u>671.56</u>	<u>710.85</u>
23 Financial Liabilities - Borrowings		
Secured		
a) Working capital borrowings from banks	6,392.67	5,676.56
Unsecured		
a) Banks	938.80	250.00
b) Fixed deposits	160.60	113.05
	<u>7,492.07</u>	<u>6,039.61</u>

a) Working Capital borrowings from banks is secured by hypothecation and by first charge on stocks and book debts, etc., both present & future and by second charge on the immovable assets of the Company, on *pari passu* basis with other banks. Buyer's credit Nil (Previous year Nil) is secured by subservient charge on current assets.

b) Unsecured loans from banks include Buyer's credit outstanding ₹ 938.80 lacs. (Previous year Nil).

NOTES TO THE FINANCIAL STATEMENTS

	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
24 Financial Liabilities - Trade payables (Refer Note no 41)		
Payable to related parties	185.94	541.29
Micro and Small Enterprises	886.29	1,098.60
Other payables	7,572.86	7,514.51
	<u>8,645.09</u>	<u>9,154.40</u>
25 Financial Liabilities - Others		
Current maturities of long term debt		
Secured		
Term loans - Banks	833.20	2,291.48
Unsecured		
Fixed deposits	1,126.20	1,797.20
Others		
Deferred payment liabilities	760.00	1,763.80
Employee payables	1,308.65	1,717.93
Capital payables	378.14	220.29
Unclaimed fixed deposits and interest accrued thereon*	10.94	14.10
Interest accrued and due on deposits	18.12	16.93
Interest accrued but not due on borrowings	9.38	-
Other payables	125.03	-
	<u>4,569.66</u>	<u>7,821.73</u>
*Investor Education & Protection Fund will be credited as and when due		
26 Current Provisions		
Provision for employee benefits		
Gratuity	75.59	126.84
Leave encashment	67.47	61.08
	<u>143.06</u>	<u>187.92</u>
27 Other Current liabilities		
Government and other statutory dues	912.92	1,119.69
Advance from customers	159.95	122.38
Rent advance	-	93.33
Other payables	1,497.90	2,082.09
	<u>2,570.77</u>	<u>3,417.49</u>

NOTES TO THE FINANCIAL STATEMENTS

	₹ in Lacs	
	As at 31.03.2020	As at 31.03.2019
28 Revenue from Operations		
Sale of products	75,772.17	80,972.54
Less : Inter division transfer	(727.42)	(803.41)
	<u>75,044.75</u>	<u>80,169.13</u>
Other operating revenues	735.82	683.17
	<u>75,780.57</u>	<u>80,852.30</u>
29 Other Income		
Interest income from short-term deposits and loans	1,497.79	1,685.54
Fair value changes in preference shares	107.90	97.22
Dividend income from long term investments	76.82	18.11
Profit on sale of assets (Net)	0.04	-
Other non operating income:		
Lease rent	1,808.23	1,993.60
Provision for Doubtful debts written back	-	9.30
Others	83.24	17.12
	<u>3,574.02</u>	<u>3,820.89</u>
30 Changes in inventory of finished goods and work-in-progress		
Opening stock		
Finished goods	4,851.95	3,756.30
Work in progress	576.81	527.73
Stock-in-trade (Engineering and other miscellaneous products)	1,033.57	588.35
	<u>6,462.33</u>	<u>4,872.38</u>
Closing stock		
Finished goods	7,508.25	4,851.95
Work in progress	556.42	576.81
Stock-in-trade (Engineering and other miscellaneous products)	913.35	1,033.57
	<u>8,978.02</u>	<u>6,462.33</u>
Net (Increase)/Decrease in Stocks	<u>(2,515.69)</u>	<u>(1,589.95)</u>
31 Employee benefit expenses		
Salaries and Wages	10,971.07	10,734.50
Employees' welfare & other Benefits	671.81	714.46
Contribution to Provident and other Funds	577.71	470.49
	<u>12,220.59</u>	<u>11,919.45</u>

NOTES TO THE FINANCIAL STATEMENTS

	As at 31.03.2020	As at 31.03.2019
₹ in Lacs		
32 Finance costs		
Interest Expenses	1,953.60	2,454.57
Other Borrowing Costs	84.87	20.81
Net (Gain) / Loss on Foreign Currency transactions	219.47	13.51
	2,257.94	2,488.89
33 Depreciation and amortization expenses		
Depreciation on Tangible Assets	4,147.44	3,898.35
Amortization of Intangible Assets	39.63	42.25
	4,187.07	3,940.60
34 Other expenses		
Power & Fuel	3,099.24	3,467.65
Less : Inter division transfer	(727.42)	(803.41)
	2,371.82	2,664.24
Consumption of stores and Spares	3,259.83	3,737.76
Repairs to Machinery	1,050.75	1,046.06
Repairs to Buildings	419.55	323.94
Rent	125.63	330.05
Rates & taxes	149.66	191.93
Freight & Transportation	1,866.63	1,804.13
Insurance	241.79	128.25
Professional Charges	1,695.48	1,768.71
Corporate Social Responsibility Expenses	201.06	167.81
Cash Discount	-	846.55
Warehouse Expenses	1,245.94	593.52
Travelling expenses	1,741.35	2,019.36
Bad Debts	9.66	81.14
Provision for Doubtful Debts	-	80.76
Exchange Difference (Net)	303.32	39.64
Loss on assets sold / scrapped (Net)	-	46.77
Miscellaneous Expenses	3,390.06	3,485.34
	18,072.53	19,355.96
35 Capital commitments (Net of advances) ₹ 4256.38 lacs (Previous year ₹ 4246.89 lacs) and other commitments Nil (Previous year Nil).		

NOTES TO THE FINANCIAL STATEMENTS

36 Contingent liabilities in respect of claims not accepted and not provided for ₹ 373.83 lacs (Previous year ₹ 979.94 lacs). Details thereof are, Excise duty matters in appeal ₹ 79.25 lacs, Service tax matters in appeal ₹ 31.13 lacs, Sales tax matter in appeal ₹ 46.52 lacs and other matters ₹ 216.93 lacs (Previous year : ₹ 497.47 lacs, ₹ 40.68 lacs, ₹ 226.70 lacs & ₹ 215.09 lacs respectively). In respect of certain disallowances and additions made by the Income tax Authorities, appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally settled.

37 Capital work-in-progress includes the following pre-operative expenses pending allocation.

	₹ in Lacs	
	2019-2020	2018-2019
Employee benefit expenses	-	4.56
Consumption of stores & spares	-	2.90
Finance Costs	-	-
Travelling expenses	3.64	15.74
	3.64	23.20
Expenditure upto previous year	-	46.55
	3.64	69.75
Less : Transferred to Property, Plant and Equipment	3.64	69.75
	-	-

38 Expenditure on In-house Research and Development (R&D) activities during the year:

	2019-2020	2018-2019
Revenue expenditure (included in respective revenue accounts)	1,233.34	1,282.37
Capital expenditure (except land and building)	75.95	131.78
	1,309.29	1,414.15

39 Forward contracts for hedging receivables ₹ 2594.89 lacs - USD 35.00 lacs (Previous year ₹ 3168.19 lacs - USD 43.50 lacs). Options for hedging payables - USD 11.12 lacs (Previous year Nil).

Foreign currency exposure unhedged net receivable ₹ 58.89 lacs - GBP 0.63 lacs (Previous year ₹ 280.03 lacs - GBP 3.15 lacs), net payable ₹ 6718.09 lacs - Euro 81.17 lacs (Previous Year Net Receivable ₹ 576.71 lacs - Euro 7.56 lacs), ₹ 6105.96 lacs - USD 80.70 lacs, (Previous year net payable ₹ 2332.90 lacs - USD 33.29 lacs), ₹ 9.72 lacs - JPY 13.96 lacs, (Previous year Nil).

40 The Company has given certain specified Property, plant and equipment on operating lease basis which is cancelable at the option of lessee.

41 The details of amounts outstanding under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent of information available with the Company are as under: (i) Principal & Interest amount due and remaining unpaid as at 31.03.2020: Nil (Previous year: Nil), (ii) Payment made beyond the appointed day during the year: Nil (Previous year: Nil) and (iii) Interest Accrued and unpaid as at 31.03.2020: Nil (Previous year: Nil).

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

42 Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act, 2013 read with Schedule III are as below.

	2019-2020	2018-2019
Gross amount required to be spent by the Company during the year	200.00	167.10
Amount spent during the year		
Promotion of Education	81.28	47.60
Health Care	82.07	63.08
Others	37.71	57.13
	201.06	167.81

43 Other receivable includes ₹ 885.68 lacs (Previous year Nil) receivable from related party and Deferred payment liability includes ₹ 4150.43 lacs (Previous year ₹ 4855.43 lacs) payable to related party.

44 Deferred payment liabilities represent amount payable against certain Property, plant and equipment.

45 The Company has not provided diminution in the value of certain long term strategic investments, since in the opinion of the Board, such diminution in their value is temporary in nature, considering the inherent value, nature of investment, the investees assets and expected future cash flow from such investments.

46 Amount paid to auditors

	2019-2020	2018-2019
(i) Statutory Auditors		
(a) Audit fee	9.00	7.00
(b) Taxation	1.50	0.75
(c) Certificates / other services	0.50	4.70
(d) Reimbursement of expenses	0.82	2.33
	11.82	14.78

47 Earnings per share

Profit for the year attributable to Equity Shareholders	6,498.17	6,428.37
Weighted average number of Equity Shares for Basic / Diluted EPS	24,83,066	24,83,066
Earnings per share of ₹ 10 each		
- Basic / Diluted	₹ 261.70	₹ 258.89

48 Operating Segments

(i) Information about Business Segment

Company operates in a Single Primary Segment (Business Segment) i.e. Polymer.

(ii) Secondary Segments (Geographical Segment)

Revenue

Within India	65,851.27	70,311.78
Outside India*	13,503.32	14,361.41
	79,354.59	84,673.19

*No non current assets of the Company are located outside India.

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

49 Dividends

The following dividends were declared and paid by the company during the year:

	2019-2020	2018-2019
For the year ended March 31, 2020: ₹ 65 per share (March 31, 2019: ₹ 50 per share)	1,613.99	1,241.53
Dividend Distribution Tax thereon	331.76	255.20
	<u>1,945.75</u>	<u>1496.73</u>

The following dividends were proposed by the board of directors in their meeting subject to approval of shareholders at the Annual General Meeting and are not recognised as a liability. Dividend would attract dividend distribution tax when declared or paid.

For the year ended March 31, 2020:

₹ per share (March 31, 2019: ₹ 15 per Share)	-	372.46
	<u>-</u>	<u>372.46</u>

- 50 The Company has adopted Ind AS 116 'Leases' effective April 1, 2019 and applied the Standard to its leases. This has resulted in recognizing a Right-of-Use Asset and a corresponding Lease liability of ₹ 689.72 lacs as at April 1, 2019.

	Right of Use Assets - Building
Cost/Deemed Cost At April 1, 2019	689.72
Accumulated Depreciation and impairment At April 1, 2019	-
Net Book Value At April 1, 2019	689.72
At 31st March, 2020	492.02
Lease Liability At 1 April 2019	689.72

51 Income Tax

(A) Amounts recognised in Statement of Profit and Loss

Current Tax	2,870.70	3,642.40
Deferred Tax		
Relating to origination and reversal of temporary differences	(662.17)	441.59
Income tax expense reported in the Statement of Profit or Loss	<u>2,208.53</u>	<u>4,083.99</u>

(B) Income Tax recognised in Other Comprehensive Income

Current Income tax on Re-measurement Losses on Defined Benefit Plans	16.49	56.18
	<u>16.49</u>	<u>56.18</u>

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

	2019-2020	2018-2019
(C) Reconciliation of Effective Tax Rate		
Accounting Profit before Income Tax	8,706.70	10,512.36
At applicable Statutory Income tax rate @ 25.17% / 34.944%	2,191.48	3,673.44
In House R&D Expenses u/s 35(2AB) & Contribution u/s 35(1)(ii)	(19.12)	(296.83)
Exempt Income	(19.35)	(6.33)
Deferred Tax related to Property, Plant & Equipment	366.44	208.88
Others	(310.93)	504.83
Reported Income Tax Expense	2,208.53	4,083.99
Effective Tax Rate	25.37%	38.85%

52 Employee Benefits

The disclosures required under Ind AS 19 "Employee Benefits" notified in the Companies (Indian Accounting Standards) Rules, 2015 are as given below:

Defined Benefit Plan

Particulars	Leave Encashment (Non Funded)		Gratuity (Funded)	
	2019-2020	2018-2019	2019-2020	2018-2019
I.Change in the Present Value of Obligation				
Present Value of Defined Benefit Obligation at the beginning of the year	403.87	323.93	1,132.83	1,030.45
Current Service Cost	52.85	60.58	117.96	102.71
Past Service Cost	-	-	-	-
Interest Expense or Cost	26.99	19.49	81.88	74.37
Actuarial (gains) / losses on obligation	90.44	133.54	(41.23)	24.06
Benefit Paid	(106.60)	(133.67)	(158.02)	(98.75)
Present Value of Obligation as at the end	467.55	403.87	1,133.42	1,132.84
II.Change in the Fair Value of Plan Asset				
Fair value of Plan Assets at the beginning of the year	-	-	1,006.00	932.46
Investment Income	-	-	80.18	73.47
Employer's Contribution	106.60	133.67	146.00	102.00
Benefits Paid	(106.60)	(133.67)	(158.02)	(98.75)
Return on Plan Asset, excluding amount recognised in net interest Expenses	-	-	(16.32)	(3.18)
Fair value of Plan Assets as at the end of the year	-	-	1,057.84	1,006.00
III.Expenses recognised in the Statement of Profit & Loss Account *				
Current Service Cost	52.85	60.58	117.96	102.71
Past Service Cost	-	-	-	-
Net Interest Income / (Cost) on the Net Defined Benefit Liability / (Asset)	26.99	19.49	81.88	74.37
Expenses recognised in the Income Statement	79.84	80.07	199.84	177.08

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

Particulars	Leave Encashment (Non Funded)		Gratuity (Funded)	
	2019-2020	2018-2019	2019-2020	2018-2019
IV. Other Comprehensive income				
Actuarial (gain) / loss on defined benefit obligation	90.44	133.54	(41.23)	24.06
Return on Plan Asset, excluding amount recognised in net interest Expenses	-	-	(16.32)	(3.18)
Components of Defined Benefit Costs recognised in Other Comprehensive Income	90.44	133.54	(24.91)	(27.24)
V. Actuarial Assumptions				
Discount Rate	7.70%	7.70%	7.77%	7.77%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate			
Salary Escalation	5%	5%	5%	5%

*Included under the head Employee benefits expense-Refer Note No. 31

Leave Encashment (Non Funded)

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Present Value of Defined Benefit Obligation	467.55	403.87	323.94	222.13	213.50
Fair Value of Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(467.55)	(403.87)	(323.94)	(222.13)	(213.50)
Experience adjustment on Plan Liabilities (Gain) / Loss	62.23	136.80	159.14	44.74	107.66
Experience adjustment on Plan Assets (Gain)/ Loss	-	-	-	-	-

Gratuity (Funded)

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Present Value of Defined Benefit Obligation	1,133.42	1,132.84	1,030.45	942.93	771.96
Fair Value of Plan Assets	1,057.83	1,006.00	932.46	846.40	702.78
Surplus / (Deficit)	(75.59)	(126.84)	(97.99)	(96.53)	(69.18)
Experience adjustment on Plan Liabilities (Gain) / Loss	(121.04)	39.42	(25.65)	120.72	(170.77)
Experience adjustment on Plan Assets (Gain)/ Loss	(16.32)	(3.18)	(6.21)	158.72	(3.35)

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

Sensitivity Analysis

Leave Encashment (Non Funded)	March 31,2020		March 31,2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	507.53	433.06	435.46	376.43
Salary Growth Rate (- / + 1%)	434.25	505.47	377.32	433.94
Attrition Rate (- / + 1% of attrition rates)	463.55	471.23	396.30	410.63

Gratuity (Funded)	March 31,2020		March 31,2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1,237.02	1,043.98	1,213.79	1,061.90
Salary Growth Rate (- / + 1%)	1,048.76	1,229.36	1,065.85	1,208.17
Attrition Rate (- / + 1% of attrition rates)	1,122.53	1,143.44	1,114.93	1,148.84

Sensitivities due to mortality are not material & hence impact of change not calculated.

- The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of assets management, historical results of return on plan assets and the policy for plan assets management.
- The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- Contributions to Pension Fund (trust) during the 12 months ended 31st March, 2020 of ₹ 44.32 lacs (Previous Year: ₹ 49.63 Lacs) has been included under the head Employee Benefits Expense.

Defined Contribution Plans

Employer's Contributions to Provident and other Funds charged off during the 12 months ended 31st March, 2020 of ₹ 598.92 lacs (Previous Year: ₹ 581.65 Lacs) has been included under the head Employee Benefits Expense.

NOTES TO THE FINANCIAL STATEMENTS

53 Related Parties

(A) Related Parties

- | | |
|---|--|
| <p>(i) Holding company</p> <p>Bengal & Assam Co. Ltd.</p> | <p>(iii) Associates</p> <p>PSV Energy Pvt. Ltd. (PSVEPL)</p> <p>Dwarkesh Energy Ltd. (DEL)</p> |
| <p>(ii) Subsidiary companies</p> <p>Southern Spinners and Processors Ltd. (SSPL)</p> <p>Modern Cotton Yarn Spinners Ltd. (MCYSL)</p> <p>BMF Investments Ltd.
(from 1st April 2017) (Refer Note no 61)</p> <p>Acorn Engineering Ltd. (AEL)</p> <p>Divyashree Company Private Ltd. (DCPL)</p> | <p>(iv) Fellow subsidiary companies
(With whom Company have transactions during the year)</p> <p>JK Tyre & Industries Limited (JKTIL)</p> <p>JK Agri Genetics Limited (JKAGL)</p> <p>\$Cavendish Industries Limited (Cavendish)
\$(step down fellow subsidiary)</p> <p>*CliniRx Research Private Limited (Clinirx)
*(ceased to be fellow subsidiary 31st March 2020)</p> |
| <p>(v) Key Management Personnel (KMP)</p> <p>Dr. Raghupati Singhania</p> <p>Shri Vikrampati Singhania</p> <p>Shri Nagaraju Srirama</p> <p>Shri Harsh Pati Singhania</p> <p>Smt. Mamta Singhania</p> <p>Shri Surendra Malhotra</p> <p>Shri H.V.Lodha</p> <p>Shri Bakul Jain</p> <p>Shri Rahul Chandrakant Kirloskar</p> <p>Shri Amit Agarwal</p> <p>Shri R. Vijayaraghavan</p> | <p>Chairman</p> <p>Managing Director</p> <p>President & Director</p> <p>Non-Executive Non-Independent Director</p> <p>Non-Executive Non-Independent Director</p> <p>Independent Director</p> <p>Non-Executive Non-Independent Director</p> <p>Independent Director</p> <p>Independent Director</p> <p>Chief Financial Officer</p> <p>Company Secretary</p> |
| <p>(vi) Post Employment Benefit Plan entities (Trust)</p> <p>J.K. Fenner Executive Staff Provident Fund</p> <p>J.K. Fenner (India) Ltd Gratuity Fund</p> <p>J.K. Fenner Executive Staff Pension Fund</p> | <p>(vii) Other related parties with which Company has transactions</p> <p>Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI)</p> <p>JK Lakshmi Cement Limited (JKLC)</p> |

NOTES TO THE FINANCIAL STATEMENTS

(B) Transactions conducted with related parties in the ordinary course of business :		₹ in Lacs	
Nature of transactions	2019-2020	2018-2019	
Holding company			
Inter corporate deposit given	3,000.00	-	
Interest Received	1,330.27	-	
Subsidiary companies			
Loan paid to / (refund from) BMF Investments Ltd.	-	(5,500.00)	
Purchase of goods from MCYSL & SSPL	2,872.92	2,760.98	
Sale of goods to MCYSL & SSPL	211.27	146.18	
Interest received from BMF Investments Ltd.	-	1,527.34	
Other expenses - DCPL, SSPL & MCYSL	137.45	450.84	
Fellow Subsidiary companies			
Sale of goods to JKTIL & Cavendish	1.87	-	
Rent received from JKTIL, JKAGL & CliniRx	1,806.39	-	
Interest paid to JKTIL	417.05	-	
Preference Share Dividend paid to JKTIL	70.00	-	
Repayment of Deferred payment liabilities - JKTIL	705.00	-	
Other Expenses - JKTIL & Cavendish	69.44	-	
Associates			
Purchase of goods from PSVEPL	57.04	66.60	
Other related parties			
Other Expenses - HASETRI & JKLC	89.91	1.89	
Contribution to Trusts		342.85	290.80
Remuneration paid to Key Managerial Personnel			
Short-term Employee Benefits	1,106.78	1,296.40	
Post-employment Benefits*			
Other Payments	120.59	106.56	
		31.03.2020	31.03.2019
(C) Outstanding balances			
Amount receivable / (payable)			
From holding company	19,500.00	-	
To subsidiary companies - SSPL & MCYSL	(185.94)	(541.29)	
From subsidiary companies - DCPL* & BMF Invt. Ltd	36.00	16,536.00	
To Fellow subsidiary companies - JKTIL	(3,264.75)	-	
To associates - PSVEPL	3.49	(0.76)	
To other related parties - JKLC	(3.95)	-	

* includes security deposit of ₹ 36 lacs (previous year ₹ 36 lacs) receivable from DCPL.

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

54 Financial instruments - Fair values and risk management

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the company:

Particulars	As at 31.03.2020		As at 31.03.2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(i) Financial Assets				
At Amortised cost				
- Trade Receivables	11,506.65	11,506.65	15,802.22	15,802.22
- Loans	19,570.00	19,570.00	16,500.00	16,500.00
- Other financial assets	2,209.30	2,209.30	534.98	534.98
- Cash & Cash Equivalents	3,668.32	3,668.32	3,730.25	3,730.25
- Other Bank Balances	712.05	712.05	963.59	963.59
At Fair value through Other Comprehensive Income				
- Other financial assets	2,167.97	2,167.97	3,088.79	3,088.79
- Investments *	111.14	111.14	111.14	111.14
At Fair value through Profit and Loss				
Investments *	8,238.88	8,238.88	8,130.98	8,130.98
	48,184.31	48,184.31	48,861.95	48,861.95
(ii) Financial Liabilities				
At Amortised cost				
Borrowings	28,224.25	28,224.25	24,452.98	24,452.98
Trade Payables	8,645.09	8,645.09	9,154.40	9,154.40
Others	8,423.23	8,423.23	8,601.51	8,601.51
	45,292.57	45,292.57	42,208.89	42,208.89

* Refer Note 59

The following methods and assumptions were used to estimate the fair values:

1. Cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are considered to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.

NOTES TO THE FINANCIAL STATEMENTS

- Fair value of investments in quoted equity shares are based on quoted market price at the reporting date. The fair value of unquoted Investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities. The fair value of unquoted investments in equity shares are estimated on net assets basis. (Refer Note 59).
- Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
- Fair value of derivatives are calculated using the appropriate variable parameters.

Fair Value Hierarchy

All financial assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1 - quoted prices in active markets.

Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3 - inputs that are not based on observable market data.

₹ in Lacs

Particulars	Level 1	Level 2	Level 3
March 31, 2020			
Financial Assets:			
- Quoted Equity Shares	2,167.97	-	-
- Unquoted Equity Shares	-	-	111.14
- Unquoted Preference Shares	-	-	8,238.88
March 31, 2019			
Financial Assets:			
- Quoted Equity Shares	3,088.79	-	-
- Unquoted Equity Shares	-	-	111.14
- Unquoted Preference Shares	-	-	8,130.98

There has been no transfer among levels 1, 2 and 3 during the year ended March 31, 2020.

- 55** The fair value of Investment property as at 31st March, 2020 is ₹ 3949.23 lacs (Previous year ₹ 4099.94 lacs) after considering the rental income from current leases and other assumptions that market participants would use while pricing investment property under current market conditions.

56 Financial Risk Management Objectives and Policies

The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

Market Risk: Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as commodity price risk.

NOTES TO THE FINANCIAL STATEMENTS

Foreign Currency Risk: Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has obtained foreign currency borrowings and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. After taking cognisance of the natural hedge, the Company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

Foreign Currency Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rate with all other variables held constant. The impact on Company's profit before tax due to changes in the currency exchange rate is as follows:

₹ in Lacs

Currency	Change in currency exchange ratio (bps)	Effect on Profit before tax for the year ended 31.03.2020	Effect on Profit before tax for the year ended 31.03.2019
USD	+25	(20.17)	(8.32)
	-25	20.17	8.32
Euro	+25	(20.29)	1.89
	-25	20.29	(1.89)
GBP	+25	0.16	0.79
	-25	(0.16)	(0.79)
JPY	+25	(3.49)	-
	-25	3.49	-

Interest Rate Risk: Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiations with the lenders for ensuring the cost effective method of financing.

Interest Rate Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. With all other variables held constant, the company's profit before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

Particulars	As at 31.03.2020	As at 31.03.2019
Change in Basis Points	+25	+25
Effect on Profit before Tax	(37.72)	(33.82)
Change in Basis Points	-25	-25
Effect on Profit before Tax	37.72	33.82

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

NOTES TO THE FINANCIAL STATEMENTS

Commodity Price Risk: The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of raw material and manufacturing of belts, oil seals and trading of engineering products including couplings and therefore, requires a continuous supply of certain raw materials such as natural rubber, synthetic rubber, carbon black, fabric, etc. To mitigate the commodity price risk, the Company has an approved supplier base to get best competitive prices for the commodities and to assess the market to manage the cost without any compromise on quality.

Credit Risk: Credit risk is the risk that counterparty might not honor 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).

Trade Receivables: Customer credit risk is managed based on Company's established policy, procedures and controls. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date on an individual basis. However a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

Deposits with Bank: The deposits with banks constitute mostly the liquid investment of the Company and are generally not exposed to credit risk.

Security Deposits: The security deposits constitute mostly rental deposits paid by the Company and are generally not exposed to credit risk.

Liquidity Risk: Liquidity risk is the risk, where the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below summarises the maturity profile of Company's financial liabilities based on contractual undiscounted payments:

₹ in Lacs

Particulars	As at 31.03.2020		As at 31.03.2019	
	Upto 3 years	> 3 years	Upto 3 years	> 3 years
Borrowings	16,741.17	11,483.08	17,452.98	7,000.00
Trade Payables	8,645.09	-	9,154.40	-
Other Financial Liabilities	6,617.02	1,806.21	6,911.07	1,690.44
Total	32,003.28	13,289.29	33,518.45	8,690.44

NOTES TO THE FINANCIAL STATEMENTS

57 Capital Management

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net Debt is calculated as borrowings less cash and cash equivalents.

Particulars	As at 31.03.2020	As at 31.03.2019
Borrowings	28,224.25	24,452.98
Less: Cash and cash equivalents	(3,668.32)	(3,730.25)
Deposit repayment reserve	(412.88)	(656.77)
Net Debt	24,143.05	20,065.96
Equity Share capital	248.31	248.31
Other Equity	61,829.15	58,276.79
Total Capital	62,077.46	58,525.10
Capital and Net Debt	86,220.51	78,591.06
Gearing Ratio	28.00%	25.53%

58 Disclosure as per Ind AS 27 "Separate Financial Statements".

The Company has not prepared the Consolidated Financial Statements by availing the exemption by virtue of Notification 742 (E) dated 27th July 2016 issued by Ministry of Corporate Affairs and paragraph 4 (a) of Ind AS 110 "Consolidated Financial Statements" read with General instruction issued in Companies (Indian Accounting Standards) Rules, 2015 Further, Bengal and Assam Company Limited which has been incorporated in India (Holding company) will file Consolidated Financial Statements with the Registrar which are in compliance with the applicable accounting standards.

A list of significant investments in Subsidiaries, associates and joint venture are as follows:

Sl. No	Name	Country of Incorporation	Principal Activities	As at 31.03.2020	As at 31.03.2019
1	Southern Spinners and Processors Ltd.	India	Fabric Manufacturing	100.00%	100.00%
2	Modern Cotton Yarn Spinners Ltd.	India	Fabric Manufacturing	100.00%	100.00%
3	BMF Investments Ltd. (Refer Note no 61)	India	Core investment company	-	100.00%
4	Acorn Engineering Ltd.	India	Operating company	100.00%	100.00%
5	Divyashree Company Private Ltd.	India	Investment company	61.00%	61.00%
6	Dwarkesh Energy Ltd.	India	Power generation	27.49%	27.49%
7	PSV Energy Pvt. Ltd.	India	Wind Power generation	26.00%	26.00%

59 Fair value of investment in certain equity and preference shares are taken at cost since cost represents the best estimate of fair value.

NOTES TO THE FINANCIAL STATEMENTS

- 60** The provision for current tax represents income tax payable computed under substantive provisions of the Income Tax Act, 1961.
- 61** Pursuant to Scheme of Arrangement sanctioned by the Hon'ble NCLT, Kolkata and Chennai, having become effective w.e.f 24th May 2019 and the Scheme became operative from 1st April 2017, BMF Investments Limited (BMF), a wholly owned subsidiary of the Company ceased to be subsidiary of the Company and stands amalgamated with Bengal & Assam Company Limited, the Holding Company. The Company has adjusted and accounted for the reduction of ₹ 30.20 lacs in its investment in BMF consequent to the Scheme in its Reserves.
- 62** a) The Company has given a unsecured loan to BMF Investment Limited, a erstwhile wholly owned subsidiary company, amalgamated with the Bengal & Assam Co Ltd.,(Holding company) as per note no 61 for the purpose of carrying its business at interest of 7% p.a. payable quarterly. (b) The Company has given a unsecured loan of ₹ 3000 lacs to Bengal & Assam Company Limited, Holding Company at interest of 9.75% p.a. payable quarterly.
- 63** During the year, the Company has purchased electoral bonds amounting to ₹ 200 lacs towards political contribution.
- 64** The Government of India on December 12, 2019 vide The Taxation Laws (Amendment) Act, 2019 inserted a new section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/ conditions defined in the said section. Based upon expert opinion, the Company has adopted the same and re-assessed Deferred Tax Liability @ 25.17 % (as against 34.94% earlier). Accordingly, reversal of Provision for Deferred Tax Liability of ₹ 662.17 lacs has been done during the year.
- 65** A major fire occurred in the custom bonded warehouse and raw material amounting to ₹ 825.63 lacs was damaged. The material was duly covered by Insurance and the necessary surveys and assessment of claims are being conducted by the insurance company. The management is confident for recovery of the claim.
- 66** Certain balances of trade receivable, loan & advance, trade payable and other liabilities are subject to confirmation and/or reconciliation. In the opinion of the management, on confirmation / reconciliation, there will not be any material impact.
- 67** The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity by way of interruption in production, supply chain disruption, lock down of production facilities etc. On 24th March 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended. The Company's Plants were shut down under the nationwide lockdown from March 24, 2020 impacting the Financial Results. The Company has partially resumed its operations in the month of May, 2020 conforming to the Guidelines of the Government.
- 68** Previous year figures have been reclassified/regrouped/recast, wherever necessary.

As per our report of even date

RAGHUPATI SINGHANIA
Chairman

H.V. LODHA
HARSH PATI SINGHANIA
RAHUL C. KIRLOSKAR
BAKUL JAIN
MAMTA SINGHANIA
SURENDRA MALHOTRA
NAGARAJU SRIRAMA
Directors

For LODHA & CO.,
Chartered Accountants
Firm Registration No.301051E

VIKRAMPATI SINGHANIA
Managing Director

N.K. LODHA
Partner

R.VIJAYARAGHAVAN
Company Secretary
New Delhi, the 14th May 2020

AMIT AGARWAL
Chief Financial Officer

New Delhi, the 14th May 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

	₹ in Lacs	
Particulars	2019-2020	2018-2019
A Cash flow from operating activities		
Net profit before tax	8,706.70	10,512.36
Adjustments for :		
Depreciation and amortization expenses	4,187.07	3,940.60
Finance cost (net of interest income)	760.15	803.35
Remeasurement on defined benefit plans charged to OCI	(65.53)	(160.78)
Fair value changes in non-current Investment	(107.90)	(97.22)
Amortisation of deferred power expenses	43.53	43.49
Provision for Doubtful debts & Bad debts written off	9.66	161.90
(Profit)/loss on sale of assets	(0.04)	46.77
Dividend received	(76.82)	(18.11)
Operating profit before working capital changes	13,456.82	15,232.36
(Increase)/decrease in inventories	(3,147.48)	(1,623.43)
(Increase)/decrease in trade and other receivables	2,627.87	(3,444.76)
Increase/(decrease) in trade and other payables	(2,091.87)	696.45
Cash generated from operations	10,845.34	10,860.62
Direct taxes (paid)	(2,869.83)	(4,123.40)
Net Cash from operating activities	7,975.51	6,737.22
B Cash flow from Investing Activities*		
Purchase of Property, Plant and Equipment	(6,250.10)	(4,617.39)
Sale of Property, Plant and Equipment	47.94	44.06
Deposit accounts with Banks	251.54	(361.17)
Dividend received	76.82	18.11
Net Cash used in investing activities	(5,873.80)	(4,916.39)
C Cash flow from financing activities		
Proceeds of borrowings	8,178.59	500.00
Repayment of borrowings	(4,766.38)	(2,781.52)
Loan (given) / refund	(3,070.00)	5,500.00
Interest paid (net)	(695.59)	(806.19)
Increase /(decrease) in cash credit and public deposits (net)	359.06	854.21
Payment of Lease liabilities	(223.57)	-
Dividend paid (Including dividend tax)	(1,945.75)	(1,496.73)
Net cash used in financing activities	(2,163.64)	1,769.77
Net increase / (decrease) in cash and cash equivalents	(61.93)	3,590.00
Cash and cash equivalents as at the beginning of the year	3,730.25	139.65
Cash and cash equivalents as at the end of the year	3,668.32	3,730.25
Note :		
1) Figures in brackets are outflows.		
2) Cash and cash equivalents comprise of :		
(a) Cash on hand	4.85	2.84
(b) Balances with banks		
i) Current accounts	1,213.47	227.41
ii) Deposits	2,450.00	3,500.00
Total cash and cash equivalents	3,668.32	3,730.25

* During the year a wholly owned subsidiary company was amalgamated with the Holding Company (Refer Note No 61)

As per our report of even date

RAGHUPATI SINGHANIA
Chairman

H.V. LODHA
HARSH PATI SINGHANIA
RAHUL C. KIRLOSKAR
BAKUL JAIN
MAMTA SINGHANIA
SURENDRA MALHOTRA
NAGARAJU SRIRAMA
Directors

For LODHA & CO.,
Chartered Accountants
Firm Registration No.301051E

VIKRAMPATI SINGHANIA
Managing Director

N.K. LODHA
Partner

R.VIJAYARAGHAVAN
Company Secretary
New Delhi, the 14th May 2020

AMIT AGARWAL
Chief Financial Officer

New Delhi, the 14th May 2020

AROUND THE YEAR 2019-20



Auto Expo 2020-Delhi



MachAuto Expo-Ludhiana

NEW PRODUCTS & APPLICATION

ELECTRICAL VEHICLE SOLUTION

Traction CVT Motor drive system for 2 & 3W



E-Axle System Solution for 3W



INDUSTRIAL AUTOMATION

PT Series E3 and E2



PLCs



HMI



IPC



SERVICE TO THE SOCIETY



Stem cell project launch



Commercial crop



Training for organic manure



Skill training for driving



Skill training-automobile service technician



Skill training-automobile



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