LIPPI SYSTEMS LIMITED

Translating Vision into Reality

Date: 07/09/2021

To,

Bombay Stock Exchange Ltd,
Phiroze Jeejeebhoy Tower,
25th Floor, Dalal Street,
Mumbai- 400 001.
Scrip Code: 526604

Respected Sir/ Ma'am,

SUB: Submission of Annual Report as per Regulation 34 of SEBI (LODR) Regulations, 2015

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the full Annual Report of the Company for the financial year 2020-21 along with the Notice convening the Annual General Meeting scheduled to be held on Thursday, September 30, 2021 at 11:30 a.m. IST though VC/OAVM.

Kindly take the same on your record.

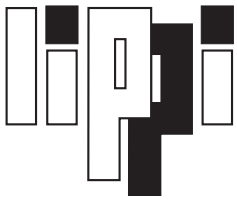
FOR, LIPPI SYSTEMS LIMITED

DARSHAN SHAH
Company Secretary &
Compliance Officer

Lippi Systems Limited Ahmedabad

Admn. Office : 3rd Floor, Satya Complex, Opp. IOC Petrol Pump,Nr. Ashwmegh-IV, 132ft Ring Road, Satellite, Ahmedabad 380 015. Gujarat (INDIA).
Fax : 0091-79-2675 0063 Telephone : 0091-79-26750060/61/62. Email : info@lippisystems.com, Website : www.lippisystems.com

Factory : Plot number : 540, Ahmedabad - Santej Road, Via Sola & Bhadaj Village, Opp. Manpasand Weigh Bridge, Village-Rakanpur, Tal. Kalol, Dist : Gandhinagar (N. Guj) Pin-382 721. Tel. : 02764-286791, 286792 Fax : 02764-286502
CIN : L22100GJ1993PLC020382



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ANNUAL REPORT
2020 - 2021

LIPPI SYSTEMS LIMITED

(CIN: L22100GJ1993PLC020382)

AHMEDABAD

LIPPI SYSTEMS LIMITED

BOARD OF DIRECTORS

Mr. Nandlal J. Agrawal	Chairman & M.D
Mr. Kunal N. Agrawal	WTD
Mr. Minesh C. Shah	WTD
Mr. Kamlesh S. Sharma	Director
Mr. Tirthraj A. Pandya	Director
Ms. Jesalben P. Shah	Director
Ms. Swetal Sapra	Director
Mr. Govind Thakkar	Director

CFO
Mr. Gopal D. Sharma

COMPANY SECRETARY
Mr. Darshan B. Shah

AUDITORS
Vijay Moondra & Co.
Chartered Accountants
201-202 Sarap, Opp. Navjivan Press,
Ashram Road, Ahmedabad- 14

BANKERS
Indian Overseas Bank.
Stadium Road Branch,
Ahmedabad - 380 009.

REGISTERED OFFICE

3rd Floor, Satya Complex,
Opp. IOC Petrol Pump,
132ft Ring Road, Satellite,
Ahmedabad - 380 015.
E-mail : cs@lippisystems.com
Phone : 079-26750060
Website : www.lippisystems.com

(CIN: L22100GJ1993PLC020382)
NOTICE
28th ANNUAL GENERAL MEETING

NOTICE TO MEMBER

Notice is hereby given that the 28thAnnual General Meeting of the members of the Company will be held on Thursday, the 30th day of September, 2021 at 11:30 a.m. IST through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the Financial Year ended on March 31, 2021 and reports of the Board of Directors ('the Board') and Auditor's thereon.
2. To appoint a director in place of Mr. Kunal N. Agrawal (DIN: 00169324), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

3. RE-APPOINTMENT OF SHRI GOVINDLAL C. THAKKAR, AS AN INDEPENDENT DIRECTOR

   To consider and if thought fit, to pass the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment thereof, for the time being in force, SHRI GOVINDLAL C. THAKKAR (DIN: 07531165), be and is hereby re-appointed as an Independent Director on the Board of the Company, for a second and final term up to 30th May, 2026."

4. RE-APPOINTMENT OF SHRI MINESH C. SHAH, AS WHOLE TIME DIRECTOR AND FIXED HIS REMMUNARATION

   To consider and if thought fit, to pass the following resolution as Ordinary Resolution:

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to appoint Shri Minesh Chandrakant Shah (DIN: 00045178) as a Whole-time Director, designated as Executive Director of the Company, for a period of 3 years from 01/10/2021 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem. Who shall be liable to retire by rotation"

5. RE-APPOINTMENT OF SHRI NANDLAL J. AGRAWAL, AS MANAGING DIRECTOR AND FIXED HIS REMMUNARATION

   To Consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary resolution:

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, thereof for the time being in force), approval of the Members be and is hereby accorded to the Re-appointment of Mr. Nandlal Jaigopal Agrawal (DIN: 00336556) as "Managing Director" of the Company, with effect from 01/10/2021 for a period of 3 years on the conditions and payment of remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment, subject to the same not exceeding the limits as set out in the annexed statement, Who shall be liable to retire by rotation."

6. RE-APPOINTMENT OF SHRI KUNAL N. AGRAWAL, AS WHOLE TIME DIRECTOR AND FIX HIS REMMUNARATION.

   To consider and if thought fit, to pass the following resolution as Ordinary Resolution:

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to the appointment of Shri Kunal N. Agrawal (DIN: 00169324) as Whole-time Director, designated as Executive Director of the Company, for a period of 3 years from 01/10/2021 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem. Who shall be liable to retire by rotation"

Place: - Ahmedabad

By order of the Board of Directors

Date: - 14th August, 2021.

Nandlal J. Agrawal
Chairman & Managing Director
(DIN: 00336556)

NOTES:

CDSL e-Voting System – For Remote e-voting and e-voting during AGM/EGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.lippisystems.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.
9. The Register of Members and the Share Transfer Books of the Company shall remain closed from 24th September, 2021 to 30th September, 2021 (both days inclusive) in connection with the AGM.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

(i) The voting period begins on 27/09/2021 at 09.00am and ends on 29/09/2021 at 05.00pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e 23/09/2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No.SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name

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

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

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

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

(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant LIPPI SYSTEMS LIMITED on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting

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

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@lippisystems.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

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

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Contact Details:

Company: Lippi Systems Limited (CIN: L22100GJ1993PLC020382),
3rd Floor, Opp. IOC Petrol Pump, Nr. Ashwamegh-IV, 132ft Ring Road,
Satellite, Ahmedabad-380015, Gujarat, India.
E-mail ID: cs@lippisystems.com

Registrar and Transfer Agent: Cameo Corporate Services Limited
"Subramanian Building", 1, Club House Road, Chennai-600002
Phone number: 044-28460390, Fax: 044-28460129
E-mail: investor@cameoindia.com.

e-Voting Agency : Central Depository Services (India) Limited
E-mail ID: helpdesk.evoting@cdslindia.com

Scrutinizer: CS Nirav Soni,
Practicing Company Secretary
E-mail ID: niravsoni003@gmail.com.

ANNEXURE TO NOTICE

The Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("the Act") and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

ITEM NO. 3:

Shri Govindlal C. Thakkar (DIN: 07531165), Aged around 66 Years, holds Commerce Graduates have experience of about 35 years.

In terms of the provisions of section 149 of the Companies Act, 2013, an Independent Director of the Company shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment for one more term on passing a Special Resolution by the Company and disclosure of such appointment in its Board's report.

In view of the above, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee and based on the report of performance evaluation, has recommended re-appointment of Shri Govindlal C. Thakkar, as an Independent Director for second and final term up to 30th May, 2026.

In the opinion of the Board, Shri Govindlal C. Thakkar fulfills the conditions as specified in the Companies Act, 2013 and rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for re-appointment of Shri Govindlal C. Thakkar as an Independent Director setting out the terms and conditions would be available for inspection without any fees by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue the services of Shri Govindlal C. Thakkar as an Independent Director of the Company. Accordingly, the Board recommends the resolution at Item No. 3, in relation to re-appointment of Shri Govindlal C. Thakkar as an Independent Director, for your approval as a Special Resolution.

Shri Govindlal C. Thakkar does not hold any shares of the Company. He is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution.

ITEM NO. 4:

The Board of Director of the company ("the board") at its meeting held on 30/06/2021 has, subject to approval of members, recommended re-appointment of Shri Minesh C Shah As a whole-time Director, designated as Executive Director, for a further period of 3 years with effect from 01/10/2021.

It is proposed to seek members' approval for the re-appointment of and remuneration payable to Shri Minesh C Shah as a Whole time Director, designated as Executive Director of the Company, in terms of the applicable provisions of the Act.

Brief particulars of the term of re-appointment of and remuneration payable to Shri Minesh C Shah are as under.

Salary, Perquisites and allowances per annum:

Salary	Not Exceeding Rs. 20,00,000/-
Perquisites and allowance	Nill

Shri Minesh C. Shah hold shares of the Company. He is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution.

The board commends the Ordinary resolution set out at item 4 of the notice for approval by the members.

ITEM NO. 5:

Shri Nandlal J. Agrawal (DIN: 00336556) aged 60 years, was recommended to be re-appointed as managing director of the company for the period of 3 Years. The Nomination and Remuneration Committee has recommended the payment of remuneration and the Board has Recommend his re-appointment and payment of remuneration to him as a Managing Director of the Company for a further period of 3 (three) years Hence, the Shareholders permission will be required in this meeting, for re-appointment of him for further period of 3 years.

Brief particulars of the term of appointment of and remuneration payable to Shri Nandlal J. Agrawal are as under.

Salary, Perquisites and allowances per annum:

Salary	Not Exceeding Rs. 20,00,000/-
Perquisites and allowance	Nill

Shri Nandlal J. Agrawal hold shares of the Company. He is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution Except Shri Kunal N. Agrawal who is Son of Shri Nandlal J. Agrawal .

The board commends the Ordinary resolution set out at item 5 of the notice for approval by the members.

ITEM NO. 6:

The Board of Director of the company ("the board") at its meeting held on 30/06/2021 has, subject to approval of members, recommended to be re-appoint Shri Kunal N Agrawal As a whole-time Director, designated as executive director, for a further period of 3 years from 01/10/2021.

It is proposed to seek members' approval for the re-appointment and remuneration payable to Shri Kunal N Agrawal as a Whole time Director, designated as Executive Director of the Company, in terms of the applicable provisions of the Act.

Brief particulars of the term of re-appointment of and remuneration payable to Shri Kunal N Agrawal are as under.

Salary, Perquisites and allowances per annum:

Salary	Not Exceeding Rs. 20,00,000/- P.A.
Perquisites and allowance	Rs. Nill

Shri Kunal N. Agrawal hold shares of the Company. He is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution Except Shri Nandlal J. Agrawal who is Father of Shri Kunal N. Agrawal.

The board commends the Ordinary resolution set out at item 6 of the notice for approval by the members.

Place: Ahmedabad
Date: 14 / 08 / 2021

For and on Behalf Of Board Of Directors

Nandlal J. Agrawal
Chairman & Managing Director
(DIN : 00336556)

DIRECTORS REPORT

To,
The Members of,
LIPPI SYSTEMS LIMITED

Your directors have pleasure in presenting their 28th Annual Report together with the Audited Annual accounts for the year ended on 31st March, 2021.

FINANCIAL RESULTS: (Rs in Lacs)

Particulars:	2020-21	2019-20
Net Sales	1308.66	1391.61
Other Income	82.48	129.54
Finance Cost	67.64	93.90
Depreciation	144.98	139.85
Income Tax Provision	1.99	13.68
Deferred Tax Liability	(10.79)	9.67
Net Profit	**(38.52)**	**15.64**

OPERATIONS:

Your directors are pleased to report that for the year under review, your Company has been able to achieve a net turnover of Rs. 13.09 crores as compared to Rs. 13.92 crores for the previous year. Your company made a loss of Rs. 38.52 lacs as against a net profit of Rs. 15.64 lacs for the preceding year.

Your directors expect better results for the current year.

CAPITAL STRUCTURE

The Authorised Share Capital of the Company as on March 31, 2021 was Rs 10,00,00,000 (Rupees Ten crores) divided into 1,00,00,000 (One crores) equity shares of Rs 10 each.

The paid up share capital of the Company as on March 31, 2021, was Rs 7,00,00,000 (Rupees Seven crores only) divided into 7000000 (Seventy lakhs) equity shares of Rs 10 each.

DIVIDEND:

In view of the marginal profits for the year under review, your directors have not recommended any dividend for the year under report.

COVID-19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lockdowns of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers. This

response has reinforced customer confidence in Lippi and many of them have expressed their appreciation and gratitude for keeping their businesses running under most challenging conditions. Although there are uncertainties due to the pandemic and reversal of the positive momentum post lockdown, we expect business to improve gradually and that business will start moving upwards from 2nd quarter of FY21-22. We can expect the business to normalize from the 3rd quarter of FY21-22. Strong balance sheet position and inherent resilience of the business model position the Company well to navigate the challenges ahead and gain market share.

DEPOSITS:

During the year under review your company has not accepted any fixed deposits from the public under section 73 of companies act, 2013, and therefore no information is required to be furnished in respect of outstanding deposits.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

Pursuant to Section 177(9) of the Companies Act, 2013 and as per SEBI (Listing Obligation and Discourse Requirements) Regulations, 2015, the Company has formulated a Whistle Blower Policy to establish a vigil mechanism for directors and employees of the Company. The purpose and objective of this Policy is to provide a framework to promote responsible and secure whistle blowing. It protects the employees wishing to raise a concern about serious irregularities within the Company. The details of the Whistle Blower Policy are posted on the website (www.lippisystems.com) of the Company.

SECRETARIAL STANDARDS

The Company has complied with the provisions of 'revised' SS-1--- Secretarial Standards on meetings of the Board of Directors which has come into effect from October 01, 2017 and also SS- 2--- Secretarial Standard.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS:

The Company has established a well-defined process of risk management, wherein the identification, analysis and assessment of the various risks, measuring of the probable impact of such risks, formulation of risk mitigation strategy and implementation of the same takes place in a structured manner. Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks on the operations of the Company. Necessary internal control systems are also put in place by the Company on various activities across the board to ensure that business operations are directed towards attaining the stated organizational objectives with optimum utilization of the resources. Apart from these internal control procedures, a well-defined and established system of internal audit is in operation to independently review and strengthen these control measures, which is carried out by a reputed firm of Chartered Accountants. The Audit Committee of the Company regularly reviews the reports of the internal auditors and recommends actions for further improvement of the internal controls. The Risk Management policy is posted on the website of the Company.

RELATED PARTY TRANSACTIONS:

The Company has entered into related party transaction with relative of promoter Ms. Shashiben N. Agrawal (Wife of Mr. Nandlal J. Agrawal, MD & Chairman) and M/s Prince Enterprise (in which Mr. Kunal N. Agrawal is common Partner in the firm and director in the company) during the financial year 2020-21, the details of which are given in the notes forming parts of Financial Statements. All Related Party Transactions entered into are on an arm's length basis. There are no materially significant Related Party Transactions made by the Company with promoters, directors, Key Managerial Personnel or other designated persons which may have potential conflict with the interests of the Company at large.

On the recommendation of the Audit Committee, the Board of Directors has adopted a policy on Related Party Transactions, which is also uploaded on the website of the Company (www.lippisystems.com) under the head of 'Investor'. The Policy envisages the procedure governing related party transactions required to be followed to ensure compliance with the applicable laws and regulations as well as to ensure that the Related Party Transactions are managed and disclosed in accordance with the strict legal and accounting requirements.

A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms &conditions of the transactions. The statement is supported by a certificate from the CEO/ CFO.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligation and Discourse Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statements relate and the date of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has not given any loans or guarantees or investments covered under the provisions of section 186 of the Companies Act, 2013 during the Financial Year 2020-21

TRANSFER TO RESERVES:

The Company has transferred current year's loss of Rs. 38,52,455/- to the Reserve & Surplus and the same is in compliance with the applicable provisions prescribed under the Companies Act, 2013.

DIRECTORS:

(i) appointment

There is no new appointment taken place in the F.Y 2020-2021

(ii) Retirement by rotation

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Kunal N. Agrawal (DIN: 00169324) retires by rotation and is eligible for reappointment.

(iii) Declarations by Independent Directors

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

(iv) Board Evaluation

In compliance with the provisions of the Companies Act, 2013 and as per SEBI (Listing Obligation and Discourse Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Nomination& Remuneration Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

(v) Nomination & Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel, including criteria for determining qualifications, positive attributes, Independence of Directors. More details of the same are given in the Corporate Governance Report.

(vi) Board Meetings

There are seven members of Board of the Directors of the company of Executive Directors, independent directors and Woman Director. There is no institutional nominee on the Board. During the year six Meetings of the Board were held. The Board of directors was met on 20/06/2020, 27/07/2020, 14/08/2020, 29/08/2020, 12/11/2020 and 12/02/2021.

The composition and attendance of Board of Directors are as:

Sl. No.	Name of Director	Category of Director	No. of Board Meetings attended	Attendance at the last AGM	No. of committee/ membership in which he/she is a member of Chairperson
1	Shri Nandlal Agrawal (DIN: 00336556)	Managing Director -Chairman	6	Yes	None
2	Shri Minesh Shah (DIN: 00045178)	Whole Time Director	6	Yes	None
3	Shri Kunal Agrawal (DIN: 00169324)	Whole Time Director	6	Yes	None
4	Shri Tirthraj Pandya (DIN: 02972285)	Independent	6	Yes	Member in One Committee & Chairman in one Committee
5	Shri Kamlesh Sharma (DIN: 01563040)	Independent	6	Yes	Chairman in one Committee
6	Ms Swtal Sapra (DIN: 07155395)	Woman -Independent	6	Yes	Member in three Committee
7	Shri. Govindlal C. Thakkar (DIN: 07531165)	Independent	6	Yes	Chairman in one Committee Member in Two Committees

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

The information relating to conservation of energy, technology absorption and foreign exchange earnings & outgo as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is Annexed herewith as "Annexure - A".

AUDIT COMMITTEE:

Pursuant to Section 177 of the Companies Act, 2013 the board of directors has constituted an audit committee. The audit committee comprises of Shri Govindlal C Thakkar (DIN: 07531165) Chairperson, Shri Tirthraj Pandya (DIN: 02972285) Member and, Ms. Swetal Sapra (DIN: 08536677) Member.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of the Section 134(3) (c) of the Companies Act, 2013:

(i) That in the preparation of the annual financial statements for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) That such accounting policies, as mentioned in the Financial Statements as 'Significant Accounting Policies' have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2021 and of the profit of the Company for the year ended on that date;

(iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) That the annual financial statements have been prepared on a going concern basis;

(v) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

(vi) That proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

AUDITORS:

(i) Statutory Auditors

M/s. Vijay Moondra & Co., Chartered Accountants Firm (Firm Reg. No.112308W) was appointed as Statutory Auditor of the company to hold office from 29th September, 2017, till conclusion of the 29th Annual General Meeting to be held in the year 2022 of the company.

(ii) Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Gaurang R. Shah, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "Annexure - B".

Reply to the Observation:

1. The Board noted the fact about the No-Dematerialization of some of the promoters Share Holding and accordingly intimated to the concerned Promoters. The Company has received the positive response from the same promoter and the process of the conversion has been initiated by them.

(iii) Internal Auditor

Pursuant to provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, M/s. ASHOK DHARIWAL & CO., a Firm of Chartered Accountants in Practice, is appointed as an Internal Auditors of the Company for the Financial Year 2021-22.

PARTICULARS OF EMPLOYEES

The provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees in receipt of remuneration in excess ofRs.60 lacs per year to be disclosed in the Report of Board of Directors are not applicable to the Company's none of the employees was in receipt of remuneration in excess of Rs.60 lacs during the financial year 2020-21.

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is given in the Statement annexed herewith as "Annexure - C".

CORPORATE GOVERNANCE REPORT

A Report on Corporate Governance regarding compliance of the conditions of Corporate Governance pursuant to Regulation 34(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is annexed herewith as "Annexure - D".

SEXUAL HARASSMENT:

The Company has complied with the provisions relating to the Constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There was no case filled or registered with the Committee during the year, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Further Company ensures that there is a healthy and safe environment for every women employee at the workplace and made the necessary policies for safe and secure environment for women employee.

COST RECORDS

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Company has adequate internal financial control with reference to the financial statements commensurate with its size and nature of business. These controls include well documented procedures, covering financial and operational functions. The internal financial controls of the Company are adequate to ensure the accuracy and completeness of accounting records, timely preparation of reliable financial information, prevention and detection of frauds and errors and safeguard against any losses or unauthorized use or disposal of assets. These controls are assessed on a regular basis by Internal Audit.

ACKNOWLEDGEMENT:

The Board wishes to place on record their sincere appreciation and acknowledge with gratitude the effort put in and co-operation extended by bankers, shareholders, employees at all levels and all other associated persons, bodies or agencies for their continued support.

Place: Ahmedabad
Date: 14 / 08 / 2021

For and on Behalf Of Board Of Directors

Nandlal J. Agrawal
Chairman & Managing Director
(DIN : 00336556)

"Annexure : A"

ANNEXURE TO DIRECTOR'S REPORT:

(A) CONVERSATION OF ENERGY:

a) Energy conservation has been an important thrust area for the Company and is continuously monitored. The adoption of energy conservation measures has helped the Company in reduction of cost and reduced machine down-time.

b) Energy conservation is an ongoing process and new areas are continuously identified and suitable investments are made, wherever necessary.

c) Various on-going measures for conservation of energy include (i) use of energy efficient lighting and better use of natural lighting, (ii) reduction of energy loss, and (iii) replacement of outdated energy intensive equipment.

d) Total energy consumption and energy consumption per unit of production is given in the table below:

(A) POWER AND FUEL CONSUMPTION IN RESPECT OF:

Particulars	Year ended 2020-21	Year ended 2019-20
1) Electricity		
a) Purchased		
Unit Nos.	1185482	1308064
Total Amt. (Rs)	8671129.09	9731533.87
Rate Per Unit (Rs)	7.31	7.44
b) Own Generation		
Through Diesel Generation Set		
Units	16800	21520
Unit per liter of Diesel Oil	3.17	3.16
Cost per Unit	21.29	21.62

(B) CONSUMPTION PER UNIT OF PRODUCTION:

Particulars	2020-21	2019-20
Consumption per square meter of Production Electricity (No. of Units)	470.21	263.95

TECHNPLOGY ABSORPTION:

The efforts made towards technology absorption: NA

The benefits derived from technology absorption: NA

The Company has not imported any technology for its products.

The Company has not specific Research and Development Department. However, the Company carries out research and development in several areas including material & process developments towards efficiency improvements, quality improvements, waste reduction etc. Apart from process improvements, the research and development also aims at finding equivalent substitutes of various inputs and packaging materials to have cost savings without compromising quality.

The Company has derived benefits of product diversification, cost reduction and better quality as a result of the above efforts.

The research and development is an on-going exercise and suitable efforts will continue to be made in future.

FOREIGN EXCHANGE EARNING AND OUT GO:

The information required to be given in respect of foreign exchanges and outgo is provided in the notes forming part of accounts. Members are requested to refer the same.

"Annexure B"

MR-3

Secretarial Audit Report

(For the Financial Year Ended on March 31, 2021)
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To, The Members of,

LIPPI SYSTEMS LIMITED

3rd Floor, Satya Complex, Nr. Ashwamegh IV,

132 Ft Ring Road, Satellite Road,

Ahmedabad- 380 015.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Lippi Systems Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period ended on March 31, 2021, ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records (as per Annexure A) maintained by the Company for the period ended on March 31, 2021 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the Rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made

thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:

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

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

c. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;

d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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.

I The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

(i) Secretarial Standards with regard to Meeting of Board of Directors ('SS-1') and General Meetings ('SS-2') issued by the Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with BSE Limited.

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point © (d), (e), (g) and (h) of para (V) mentioned hereinabove during the period under review.

I further report that having regard to the Compliance System Prevailing in the Company and on examination of the relevant documents and records pursuant to them of the Company has generally comply with the provision of following laws:

- Local taxes as applicable in the state of Gujarat;

However as per the Regulations of 31(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all shares held by the Promoters of the Company should be in Demat form. However the process of dematerialization of the shares held by promoters of the Company has not been completed.

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

I Further Report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

I have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliance under other laws and regulations applicable to the company.

Majority decisions were carried out unanimously and where it was not so, the dissenting members' views were captured and recorded as part of the minutes.

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

I further report that the compliance by the company of the direct and indirect tax laws has not been reviewed during this audit as the same has been subject to review by statutory financial auditor and other designated professionals.

I further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For **G R Shah and Associates**
(Company Secretaries)

Date: 12/08/2021
Place: Ahmedabad

Gaurang Shah
Proprietor
COP No: 14446
UDIN: A038703C000775659

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

"Annexure A"

To, The Members of,

LIPPI SYSTEMS LIMITED

3rd Floor, Satya Complex,

Nr. Ashwamegh IV,

132 Ft Ring Road, Satellite Road,

Ahmedabad- 380 015.

LIST OF DOCUMENTS VERIFIED

1. Memorandum and Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Share Transfer Committee, Stakeholders Relationship Committee, and Independent Directors Meeting along with attendance register held during the period under report.
3. Minutes of General Body meetings held during the period under report.
4. Statutory registers, records under the Companies Act, 2013 and Rules made there under namely:
   - Register of the Directors and the Key Managerial Personnel;
   - Register of the Directors' shareholding;
   - Register of loans, guarantees and security and acquisition made by the Company
   - Register of Members.
5. Declarations received from the Directors of the Company in Form MBP-1 pursuant to the provisions of Section 184 of the Companies Act, 2013.
6. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the period under report.
7. Communications/Letters issued to and acknowledgements received from the Independent Directors for their appointment.
8. Various policies framed by the Company from time to time as required under the Companies Act, 2013.

"Annexure B"

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To, The Members of,

LIPPI SYSTEMS LIMITED

3rd Floor, Satya Complex,

Nr. Ashwamegh IV,

132 Ft Ring Road, Satellite Road,

Ahmedabad- 380 015.

My Secretarial Audit Report of even date is to be read along with this letter.

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

For **G R Shah and Associates**
(Company Secretaries)

Date: 12/08/2021
Place: Ahmedabad

Gaurang Shah
Proprietor
COP No: 14446
UDIN: A038703C000775659

"Annexure C"

PARTICULARS OF EMPLOYEES

PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(Ithe ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details as prescribed is as given below:

Name	Ratio
NANDLAL JAIGOPAL AGRAWAL (Chairman & Managing Director)	8.48:1
KUNAL NANDLAL AGRAWAL (Director)	5.65:1
MINESH CHANDRAKANT SHAH (Director)	5.51:1

For this purpose, sitting fees paid to the directors has not been considered as remuneration.

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name	Designation		% increase
Nandlal Jaigopal Agrawal	Managing Director		NiL
Kunal Nandlal Agrawal	Director		NiL
Minesh Chandrakant Shah	Director		NiL
Gopalkrishna D Sharma	Chief Financial Officer		NiL
Darshan Bipinchandra Shah	Company Secretary		NiL

(iii) The percentage increase in the median remuneration of employees in the financial year : -10.61%

(iv) The number of permanent employees on the rolls of company: 84

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:

The average percentage increase already made in the salary of the employees other than managerial personnel in the last financial year i.e. 2020-21 is -10.61% whereas Remuneration of managerial personnel is increase by 1.89%.

(x) If remuneration is as per the remuneration policy of the company: Yes

Place: Ahmedabad
Date: 14 / 08 / 2021

For and on Behalf Of Board Of Directors

Nandlal J. Agrawal
Chairman & Managing Director
(DIN : 00336556)

Statement of particulars of employees pursuant to provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of top ten employees in terms of remuneration drawn per annum #

Sl. No.	Name of Director
1	NANDLAL J. AGRAWAL
2	KUNAL NANDLAL AGRAWAL
3	MINESH C. SHAH
4	NEVIL PIYUSH GOPAL
5	VIJAY GAODE
6	ANISH SHAH
7	DIPAK BHATT
8	DARSHAN B. SHAH
9	BINA SHAH
10	FALGUNI SHAH

#The details required under sub-rule 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided on specific request made by any shareholder, which is forming part of this report. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Details of Employees who were:

i. employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than ₹ 1,02,00,000 per annum: None

ii. Employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than ₹ 8,50,000 per month: None

iii. employee who employed throughout the financial year or part thereof, was in receipt of remuneration during the year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: None

Place: Ahmedabad
Date: 14 / 08 / 2021

For and on Behalf Of Board Of Directors

Nandlal J. Agrawal
Chairman & Managing Director
(DIN : 00336556)

"Annexure D"

REPORT ON CORPORATE GOVERNANCE

COMPANY PHILOSOPHY ON CODE OF GOVERNANCE:

A brief statement on company`s philosophy on code of Governance:

The company always strives to achieve optimum performance at all levels by adhering to corporate governance practices, such as fair and transparent business practices, effective management controls at all levels, adequate representation of promoter, executive and independent director on the board, accountability of performance at all levels, monitoring of executive performance by the Board and transparent and timely disclosure of financial and management information.

BOARD OF DIRECTORS

There are seven members of Board of the Directors of the company of Executive Directors, independent directors and Woman Director. There is no institutional nominee on the Board. During the year six meetings of the Board were held. The Board of directors was met on 20/06/2020, 27/07/2020, 14/08/2020, 29/08/2020, 12/11/2020 and 12/02/2021.

The composition and attendance of Board of Directors are as:

Sl. No.	Name of Director	Category of Director	No. of Board Meetings attended	Attendance at the last AGM	No. of committee/ membership in which he/she is a member of Chairperson
1	Shri Nandlal Agrawal (DIN: 00336556)	Managing Director -Chairman	6	Yes	None
2	Shri Minesh Shah (DIN: 00045178)	Executive	6	Yes	None
3	Shri Kunal Agrawal (DIN: 00169324)	Executive	6	Yes	None
4	Shri Tirthraj Pandya (DIN: 02972285)	Independent	6	Yes	Member in One Committee& Chairman in one Committee
5	Shri Kamlesh Sharma (DIN: 01563040)	Independent	6	Yes	Chairman in one Committee
6	Ms Swetal Sapra (DIN: 07155395)	Woman -Independent	6	Yes	Member in three Committee
7	Shri. Govind C. Thakkar (DIN: 07531165)	Independent	6	Yes	Chairman in one Committee Member in Two Committees

Induction & Familiarization Programs for Independent Directors:

On appointment, the concerned Director is issued a letter of Appointment setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a familiarization program. The program aims to familiarize the Directors with the Company, their role and responsibilities, business model of the Company etc.

Performance Evaluation:

In compliance with the provisions of the Companies Act, 2013 ('the Act') and LODR, the Board during the year adopted a formal mechanism for evaluation of its performances as well as that of its committees and individual Directors, including the Chairman of the Board. A structured mechanism was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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

Independent Directors' Meeting:

In compliance with Section 149(8) of the Act read along with Schedule IV of the Act and As Per SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors met on December 10, 2020, inter alia, to discuss:

(a) Evaluation of the performance of non- Independent Directors and the Board as a whole;

(b) Evaluation of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

(c) Evaluation of the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

Code of Conduct:

The Board of Directors of the Company have adopted Code of Business Conduct & Ethics. This Code is applicable to all the Directors and senior management personnel.

In terms of the requirements of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Code of Business Conduct & Ethics, as approved by the Board of Directors, has been displayed at the website of the company, www.lippisystems.com,

under the heading 'Investors'. All the members of the Board and senior management personnel have affirmed compliance with the Code for the year ended 31st March, 2021 and a declaration to that effect signed by the Chairman & Managing Director is attached and forms part of this report.

Code of Conduct for Prevention of Insider Trading :

The Company has a Code of Conduct for Prevention of Insider Trading in the shares and securities of the Company. This Code, inter-alia, prohibits purchase/sale of shares of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company. This Code is available on the Company's website, www.lippisystems.com.

Declaration regarding compliance of Code of Conduct :

All the Board Members and senior management personnel of the Company have affirmed compliance of the Code of Conduct for the year ended 31st March, 2021. A declaration to that effect signed by the Chairman & Managing Director is attached and forms part of the Annual Report of the Company.

The information required to be given for the Directors seeking appointment/ re-appointment at the Annual General Meeting as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under-

COMMITTEES OF THE BOARD

@ Only Nomination Remuneration Committee, Stakeholders Relationship Committee and Audit Committee is considered for the purpose.

The Board of directors of the company has constituted various committees of the members of the board. The terms of reference of these committees have determined by the board from time to time.

AUDIT COMMITTEE:

Audit Committee comprises of Mr. Govind C Thakkar (Chairman) (DIN: 07531165), Ms. Swetal Sapra (DIN: 08536677) and Mr. Tirthraj Pandya (DIN: 02972285).

The terms of reference of the Committee are as is specified in Companies Act, 2013 and Regulations 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the financial year the Committee met on 27.07.2020, 14.08.2020, 12.11.2020 and 12.02.2021. Presently, the following functions are performed by the Audit Committee:

- Overseeing the company's financial reporting process and the disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory & internal auditors, fixing audit fees and approving payments for any other service;
- Reviewing with management the annual financial statements before submission to the Board;

- Reviewing with the management Quarterly/Annual and other financial statements before submission to the Board for approval;
- Reviewing with the management the performance of statutory and internal auditors, the adequacy of internal control systems and recommending improvements to the management;
- Reviewing the adequacy of internal audit function;
- Discussing with internal auditors of any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigation by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of the internal control systems of a material nature and reporting the matter to the Board;
- Discussing with the statutory auditors before the audit commences on the nature and scope of audit as well as have post-audit discussions to ascertain any area of concern;
- Reviewing reports furnished by statutory & internal auditors and ensuring follow-up thereon;
- The Committee also reviews the Management Discussion and Analysis of the financial condition and results of operations, statements of significant related party transactions and any other matter which may be a part of its terms of reference or referred to by the Board of Directors.

The Company Secretary acts as the Secretary of the Committee.

All the recommendations of the Audit Committee during the year were accepted by the Board of Directors.

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee consists of Mr. Kamlesh Sharma (Chairman) (DIN: 01563040), Ms. Swetal Sapra (DIN: 08536677), and Mr. Govind Thakkar (DIN: 07531165).

The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The committee has been constituted to recommend/ review the remuneration package of Managing/ whole time Directors.

Nomination and Remuneration Policy

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and as per (LODR) Regulations, 2015 as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors. During the financial year the Committee met on 20.06.2020.

Definitions:

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

"Key Managerial Personnel" means:

i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;

ii) Chief Financial Officer;

iii) Company Secretary; and

iv) Such other officer as may be prescribed.

"Senior Managerial Personnel" mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

Objective:

The objective of the policy is to ensure that

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

Role of the Committee:

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.

- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

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

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

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

TERM / TENURE

a) Managing Director/Whole-time Director:

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

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior

Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

RETIREMENT

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

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director / Whole-time Directors:

a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

i) The Services are rendered by such Director in his capacity as the professional; and

ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

e) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

3) Remuneration to Key Managerial Personnel and Senior Management:

a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013and in accordance with the Company's Policy.

b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.

c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

SHAREHOLDERS' GRIEVANCE AND STAKEHOLDERS RELATIONSHIPS COMMITTEE:

The Board has constituted Shareholder's Grievance and Stakeholders Relationship Committee consisting of Mr. Tirthraj Pandya (Chairman) (DIN: 02972285), Ms. Swetal Sapra (DIN: 08536677) and Mr. Govindlal Thakkar (DIN: 07531165). The terms of reference of the Committee are as specified below:

Terms of reference

i. To allot equity shares of the Company,

ii. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;

iii. Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc;

iv. Issue of duplicate / split / consolidated share certificates;

v. Allotment and listing of shares;

vi. Review of cases for refusal of transfer / transmission of shares and debentures;

vii. Reference to statutory and regulatory authorities regarding investor grievances;

viii. And to otherwise ensure proper and timely attendance and Redressal of investor queries and grievances.

Details of Shareholders Complaints are given below: RTA

Details of Complaints Received	Nos.
Number of Shareholders' Complaints received from 01.04.2020 to 31.03.2021	0
Number of Complaints not solved to the satisfaction of the shareholder	0
Number of Pending Complaints on 31.03.2021	0

DETAILS OF REMUNERATION TO DIRECTORS DURING THE YEAR ENDING ON 31ST MARCH, 2021:

Remuneration paid during the Financial Year 2020-21 to Executive Directors are:

Name of Director	Yearly Remuneration (Rs.)
Mr. Nandlal Jaigopal Agrawal (DIN: 00336556)	18,00,000
Mr. Kunal Nandlal Agrawal (DIN: 00169324)	12,00,000
Mr. Minesh Chandrakant Shah (DIN: 00045178)	11,70,000
Total	**41,70,000**

The company is neither paying any sitting fees nor providing any perquisite to its Directors.

GENERAL BODY MEETINGS:

Last Three AGM`s were held at the registered office of the company at 3rd Floor, Satya Complex, Nr. Ashwamegh IV, 132ft Ring Road, Satellite, Ahmedabad on Saturday 29th September, 2018, on Monday 30th September, 2019 and on Tuesday 27th October, 2020 for the year 2017-2018, 2018-2019 and 2019-2020 respectively.

No resolution is proposed to be passed through postal ballot during the ensuing meeting,

Disclosures:

-No transaction of material has been entered into by the company with its promoters, Directors or management or relatives etc. that may have potential conflict with the interest of the company.

-There were no instances of non-compliances or penalty imposed on the company by Stock Exchanges or SEBI or any other statutory authority or any matter related to capital markets, during the last three years.

-The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and in conformity, in all material respects, with the generally accepted accounting principles and standards in India. The estimates/judgments made in preparation of these financial statement are consistent, reasonable and on prudent basis so as to reflect true and fair view of the state of affairs and results/operations of the Company.

- The Company has formulated Whistle Blower Policy to establish a Vigil Mechanism for directors and employees of the Company and the same is posted on the website of the Company.

- The Company is complying with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Means of Communication:

During the year, the quarterly/ six monthly/ yearly results of the company were submitted to Stock Exchanges immediately after the meeting of the Board and were also published in newspapers. The Company has also published its Financial Results on its website.

Management Discussion and Analysis Report forms a part of this Annual Report.

General Shareholder Information:

Annual General Meeting:

The ensuing Annual General Meeting ("the AGM") of the company will be held on Thursday, 30th September, 2021 at 11.30 am, at the registered office of the Company at 3rd Floor, Satya Complex, Nr. Ashwamegh IV, 132ft Ring Road, Satellite, Ahmedabad-380015.

Financial Calendar

The Financial year of the company is for period of 12 months from 1st April to 31st March. The financial result of the company is scheduled to be published as under:

Results for the first quarter ending on 30th June, for the second quarter ending on 30th September, for the third quarter ending on 31st December and (Audited or un-audited) for the financial year ending at 31st March will be publish on or before 14th August, 14th November, 14th February and by end of May, respectively and the Annual General Meeting for the year ending March, 2021 will be held by end of September, 2021.

Dates of Book Closure:

The Register of Members and Share Transfer Books of the company will remain closed from Friday 24nd September, 2021 to Thursday, the 30th September, 2021(both days inclusive).

Dividend Payment:

The board of directors of the company has not recommended any dividend for the financial year ended on 31st March, 2021.

Listing on Stock Exchanges:

The Stock Exchange, Mumbai - Stock Code No.: 526604

The listing fees of Bombay Stock Exchange have been paid.

Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified practicing Company Secretary carries out the Reconciliation of Share Capital to reconcile the total capital held with the National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The report, inter alia, confirms that the total listed and paid-up share capital of the Company is in agreement with the aggregate of the total dematerialized shares and those in physical mode.

Dematerialization of Shares

As on March 31, 2021, all except 553300 Equity Shares of the Company are held in dematerialized form, the breakup of the equity shares held in dematerialized and physical form as on March 31, 2021 is as follows:

PARTICULERS	NO. OF SHARE HOLDERS	NO. OF SHARES	PERCENT OF EQ.
NSDL	1479	5643130	80.62
CDSL	796	803570	11.48
PHYSICAL	2280	553300	7.90
TOTAL	**4555**	**7000000**	**100.0000**

The ISIN No. for Equity Shares of the Company-INE845B01018

Share holding pattern and Distribution of Shareholdings as on 31st March, 2021.
Shareholding pattern.

Category	No. of Shares Held	% of Shareholding
1.Promoters	3602269	51.46
2.Mutual Funds	Nil	Nil
3.Banks, FIs, Insurance companies	Nil	Nil
4.Private Bodies Corporate	68721	0.98
5.Clering Members	1002	0.01
6.Non-Resident Indians	41776	0.60
7.Indian Public	3221532	46.02
8. Other	64700	0.92
TOTAL	**7000000**	**100.00**

Distribution of Shareholdings

No. of equity shares held	No. of shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-500	3950	86.72	659465	9.42
501-1000	308	6.76	269024	3.84
1001-2000	139	3.05	213412	3.05
2001-3000	51	1.12	129977	1.86
3001-4000	26	0.57	91308	1.30
4001-5000	27	0.59	126708	1.81
5001-10000	30	0.66	201268	2.88
10001 and Above	24	0.53	5308534	75.84
TOTAL	**4555**	**100.00**	**7000000**	**100.00**

Market price data for the financial year 2020-21:

(xx) High And Low Prices of Shares and its composition with BSE Sensex

Month & Year	Bombay Stock Exchange		BSE Sensex	
	High (Rs)	Low (Rs)	High	Low
April, 2020	9.00	9.00	33887.25	27500.79
May, 2020	9.00	9.00	32845.48	29968.45
June, 2020	9.41	8.08	35706.55	32348.10
July, 2020	8.75	7.56	38617.03	34927.20
August, 2020	8.17	6.17	40010.17	36911.23
September, 2020	8.42	6.37	39359.51	36495.98
October, 2020	10.96	7.23	41048.05	38410.20
November, 2020	10.94	7.82	44825.37	39334.92
December, 2020	8.96	7.44	47896.97	44118.10
January, 2021	8.99	6.88	50184.01	46160.46
February, 2021	7.06	6.70	52516.76	46433.65
March, 2021	7.48	6.50	31821.84	48236.35

The high and low prices of company shares at Bombay Stock Exchanges price is compiled on the basis of the BSE Website. (www.bseindia.com)

Stakeholders Relationship Committee attends to share transfer formalities normally twice in a month. Demat requests are normally confirmed within 15 days from the date of receipt of requests.

Registered Office: 3rd Floor, Satya Complex, Nr. Ashwamegh IV, 132 ft. Ring Road, Satellite, Ahmedabad-380015, Gujarat, India.

Registrar and Transfer Agents: Cameo Corporate Services Limited.
'Subramanian building', No.1, Club House Road, Chennai-600002.
Tel: (044) 28460390, 28460425. Fax No. : (044) 28460129.

Plant Location: Plot No. 540, Opp. Manpasand Weigh Bridge, Village – Rakanpur, Tal: Kalol, Dist.: Gandhinagar -382721

Investors / Shareholders Correspondence:

Investors / Shareholders may Correspondence with the company at the register Office of the company at 3rd Floor, Satya Complex, Nr. Ashwamegh IV, 132 ft. Ring Road, Satellite, Ahmedabad-380015. Ph. 079-26750060, 26750061. Fax: 079- 26750063

Place: Ahmedabad
Date: 14 / 08 / 2021

By order Of Board Of Directors
Nandlal J. Agrawal
Chairman & Managing Director.
(DIN : 00336556)

MANAGEMENT DISCUSSIONS AND ANALYSIS

INDUSTRY STRUCTURE AND OUTLOOK:

The company is basically engaged in the manufacture of Rotogravure Cylinders by Digital Engraving Process for Packaging, Decorative i.e. laminates & other gravure printing industries. Rotogravure printing process is widely employed by converters in India off course abroad for Decorative & Packaging Laminates. There is a tremendous opportunity available to the company for its development. The company is also engaged in trading business of goods.

SEGMENT–WISE OR PRODUCT WISE OR PRODUCT-WISE PERFORMANCE

The overall performance of our Company is not improved during the current year in comparison with the earlier performance, but Profit of Company is remain same compared to last year due to reduction in cost of raw materials.

There is one product segment viz, manufacturing of engravioures & Coating of Metals. The turnover of the company for the Financial Year ended 31st March, 2021 and its segment wise comparison with previous Financial Year is given below:

(Rupees in Crore)

Type of Segment	2020-21	2019-20
Manufacturing of engravioures & Coating of Metals Power Generation Windfarm	13.09 0.49	13.92 1.23
Total Turnover	**13.58**	**15.15**

RISK AND CONCERN:

The development of the company would depend on overall macro and micro economic policy of the Government. The rapid changes in technological advancement requiring huge investment in an area of concern for the company. Company at both domestic and at international level is increasing gradually.

OPPORTUNITIES AND THREATS:

The demand for Electronically Engraved Cylinders is increasing day by day. Up gradation of technology is done by the company in order to become more competitive. Increase in capacity of engraving and manufacturing cylinders for laminates. Marketing and Pre-press division at various places to cater to the needs of the customer. Continuous improvement in quality of our cylinders.

FINANCIAL PERFORMANCE:

The turnover of the company for the year ended 31st March, 2021 was Rs.13.09 crores as against the previous year's sales of Rs. 13.92 crores. The loss for the year under

review was Rs.38.52 lacs as compared to Rs. 15.64 lacs for the preceding year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and the nature of its operations. The scope and authority of the Internal Audit function is well defined. To maintain objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

CAUTIONARY STATEMENT:

Statements in the Management Discussions and Analysis Report in regard to projections, estimates and expectations may be "forward looking statement" within meaning of applicable securities laws and regulations. Many unforeseen factors may come into play and affect the actual results, which would be different from what directors envisage in terms of future performance and outlook. Market data and product information contained in this report have been based on information gathered from various sources published and un-published reports, and their accuracy, reliability and completeness cannot be assured.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT – EMPLOYEE DATA

The total employee strength of the Company as of 31.03.2021 was 84. Given the nature of the operations, a significant portion of the said employee strength comprises of drivers, cleaners and other unskilled employees.

Your management feels proud to state that there were no instances of strikes, lockouts or any other action on part of the employees that affected the functioning of the Company. It is noteworthy that there is no Employee Union within the organization.

DEDCLARATION REGARDING CODE OF CONDUCT

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

Place: Ahmedabad
Date: 14 / 08 / 2021

By order Of Board Of Directors
Nandlal J. Agrawal
Chairman & Managing Director.
(DIN : 00336556)

CEO/CFO CERTIFICATION

To,
The Board of Directors
LIPPI SYSTEMS LIMITED

Certificate by Chief Executive Officer (CEO) / Chief Financial Officer (CFO) under Corporate Governance pursuant to the revised SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
I, Nandlal J Agrawal, the Managing Director of the Company and I, Gopal Sharma, the Chief Financial Officer (CFO) of the Company do here by certify to the Board that:

a. we have reviewed financial statements and the cash flow statement for the year ending 31stMarch, 2021 and that to the best of their knowledge and belief :
   i. these statements do not contain any materially untrue statement or omit any material fact Or contain statements that might be misleading;
   ii. These statements together present a true and fair view of the company's affairs and are in Compliance with existing accounting standards, applicable laws and regulations.
b. There are, to the best of our knowledge and belief, no transactions entered into by the company
   During the year which are fraudulent, illegal or violative of the company's code of conduct.
c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
d. We have indicated to the auditors and the Audit committee
   i. significant changes in internal control over financial reporting during the year;
   ii. Significant changes in accounting policies during the year and that the same have been Disclosed in the notes to the financial statements; and
   iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal
   Control system over financial reporting

DATE: 14/08/2021	**NANDLAL J. AGRAWAL**	**GOPAL SHARMA**
PLACE: AHMEDABAD	**(MANAGING DIRECTOR)**	**(CFO)**

VIJAY MOONDRA & CO.
CHARTERED ACCOUNTANTS

201-202 Sarap, Opp. Navjivan Press
Ashram Road,Ahmedabad- 14

Independent Auditor's Report

To the Members of Lippi Systems Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lippi Systems Limited ("the company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the Financial Statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information as required by the Companies Act,2013, as amended ("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, 2021, its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the 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.

Key Audit Matters

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

The Key audit matters	How the matter was addressed in our audit
Revenue Recognition	
The application and transition of the Indian accounting standard 115 ('Ind AS 115') i.e. Revenue from Contracts with Customers, is complex and is an area of focus in the audit. The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period.	Our audit procedures included: • We evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard; • We assessed manual journals posted to revenue to identify unusual items. • We evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams. • We evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures. • We performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation, which included goods dispatch notes and shipping documents, to assess whether the revenue was recognized in the correct period. • We inspected, on a sample basis, key customer contracts to identify terms and conditions relating to goods acceptance and rebates and assessing the Company's revenue recognition policies with reference to the requirements of the applicable accounting standards.

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 Company's annual report, but does not include the financial statements and our auditor's report thereon.

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

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

When we read the above mentioned reports comprising other information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of 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)(If the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 with reference to financial statements that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

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

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 Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the company and operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

   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. As informed to us, the Company does not have any pending litigations which would impact its financial position;

   ii. The Company did not have any long-term contracts including derivative contracts during the year ended on 31st March, 2021 for which there were any material foreseeable losses;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

   In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the company to its directors is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the company is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For Vijay Moondra & Co.
Chartered Accountants
(Firm Reg. No. 112308W)

(CA Vinit Moondra)
Partner
M.No. 119398
UDIN: 21119398AAAAJM8605

Place: Ahmedabad
Date: 30/06/2021

Annexure "A" to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date

(i) In respect of its Property, Plant & Equipment:

a. The Company has maintained proper records showing full particulars including, quantitative details and situation of the fixed assets.

b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) In respect of its inventories:

As explained to us, the inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material. The discrepancies have been properly dealt with in the books of accounts.

(iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured to any Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause (iii) (a), (iii) (b) & (iii) (c) of paragraph 3 of the Order are not applicable to the Company.

(iv) The company has not given any loans, investments guarantees, and security. Hence, the provisions of Clause (iv) of paragraph 3 of the Order are not applicable to the Company

(v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 prescribed by the Central Government under Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, professional Tax, income-tax, goods and services tax, cess and any other material statutory dues, as applicable to the Company, during the year with the appropriate authorities. There are no undisputed statutory dues in arrears as on 31st March, 2021 for a period of more than six months from the date they became payable.

b) There are no amounts payables in respect of income tax, service tax, sales tax, duty of customs, goods and services tax, duty of excise or value added tax or cess which have not been deposited on account of disputes.

(viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to Banks. The Company does not have any outstanding dues to financial institutions, Government or by way of debentures.

(ix) During the year, the company has not raised money by way of initial public offer or further public offer (including debt instrument). However, the moneys were raised by way of term loans which were applied for the purposes for which those were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit that causes the financial statements to be materially misstated.

(xi) In our opinion and according to the information and explanations given to us, the company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The company is not a Nidhi Company hence the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

(xiii) Based upon the audit procedures performed and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable Indian Accounting Standards (IndAS) 24, Related Party Disclosures specified under section 133 of the Act.

(xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Hence, the provisions of clause (xv) of paragraph 3 of the Order 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 Vijay Moondra & Co.
Chartered Accountants
(Firm Reg. No. 112308W)

(CA Vinit Moondra)
Partner
M.No. 119398
UDIN: 21119398AAAAJM8605

Place: Ahmedabad
Date: 30/06/2021

Annexure "B" to Independent Auditors' Report

Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls with reference to financial statements under section 143(3)(If the Companies Act, 2013("the Act")

We have audited the internal financial controls with reference to financial statements of Lippi Systems Limited ("the Company") as of 31st March, 2021, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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 31stMarch, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Vijay Moondra & Co.
Chartered Accountants
(Firm Reg. No. 112308W)

(CA Vinit Moondra)
Partner
M.No. 119398
UDIN: 21119398AAAAJM8605

Place: Ahmedabad
Date: 30/06/2021

BALANCE SHEET AS AT MARCH 31, 2021

Amt in Rs.

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	136,581,008	148,792,839
(b) Intangible assets	4	754,144	614,324
(c) Financial Assets			
(i) Investments	5	-	2,712,196
(d) Other non-current assets	6	128,634,366	103,626,257
Total Non-current assets		**265,969,518**	**255,745,616**
Current assets			
(a) Inventories	7	17,379,339	18,533,322
(b) Financial Assets			
(i) Trade receivables	8	45,522,536	57,901,913
(ii) Cash and cash equivalents	9	170,386	225,463
(iii) Bank balances other than (ii) above	10	1,320,679	1,760,635
(c) Other current assets	11	6,263,720	5,527,723
Total Current assets		**70,656,660**	**83,949,056**
TOTAL ASSETS		**336,626,178**	**339,694,672**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	12	70,000,000	70,000,000
(b) Other Equity	13	166,600,793	170,453,248
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	14,966,808	9,007,857
(b) Provisions	15	8,251,178	7,375,407
(c) Deferred tax liabilities (Net)	16	15,962,702	17,041,844
Total Non-current liabilities		**39,180,688**	**33,425,108**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	42,683,864	49,010,516
(ii) Trade payables	18		
- Due to Micro & Small Enterprises		1,586,567	435,294
- Due to Others		5,597,408	5,775,910
(b) Other current liabilities	19	9,301,269	9,095,156

BALANCE SHEET AS AT MARCH 31, 2021

Amt in Rs.

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
(c) Provisions	20	1,675,589	1,499,440
Total Current liabilities		**60,844,697**	**65,816,316**
TOTAL EQUITY AND LIABILITIES		**336,626,178**	**339,694,672**

Significant Accounting Policies and
Notes on Financial Statements 1 to 37

As per our Report of even date

For and on behalf of the Board

For Vijay Moondra & Co.
Chartered Accountants
(Firm Reg. No.: 112308W)

(CA Vinit Moondra)
Partner
M. No.: 119398

Nandlal J. Agarwal
(Chairman & M.D.)
(DIN : 00336556)

Minesh C. Shah
(Director)
(DIN : 00045178)

Place : Ahmedabad
Date : June 30, 2021

Gopal D. Sharma
(CFO)

Darshan B. Shah
(**Company Secretary)**

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

Amt in Rs.

Particulars	Notes	2020-21	2019-20
I INCOME			
Revenue from operations	21	130,865,576	139,160,522
Other income	22	8,247,847	12,953,552
Total Income		**139,113,423**	**152,114,074**
II EXPENSES			
Cost of materials consumed	23	45,157,617	38,213,563
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	24	(944)	(21,122)
Employee benefits expense	25	28,157,490	29,926,459
Finance costs	26	6,763,563	9,390,026
Depreciation and amortization expense	27	14,497,582	13,984,532
Other expenses	28	49,652,783	58,399,586
Total Expenses		**144,228,091**	**149,893,044**
III Profit/(loss) before exceptional items & tax		**(5,114,668)**	**2,221,030**
IV Exceptional Items		**-**	**-**
V Profit/(loss) before tax (5-6)		**(5,114,668)**	**2,221,030**
VI Tax Expenses			
Current Tax		199,488	1,368,245
MAT Credit Entitlement		-	-
Excess Tax Provision		-	(7,488)
Deferred Tax Provision / (Reversal)	16	(1,079,142)	(966,538)
		(879,654)	**394,219**
VII Profit (Loss) for the year		**(4,235,014)**	**1,826,811**
VIII Other Comprehensive Income			
Items that will not be reclassified to profit or loss		382,559	(262,970)
Income tax relating to items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
IX Total Comprehensive Income for the year		**(3,852,455)**	**1,563,841**
X Earnings per Share	**30**		
Basic and Diluted (Face Value of Rs. 10 each fully paid up)		(0.61)	0.26

Significant Accounting Policies and Notes on Financial Statements 1 to 37

As per our Report of even date

For and on behalf of the Board

For Vijay Moondra & Co.
Chartered Accountants
(Firm Reg. No.: 112308W)

(CA Vinit Moondra)	**Nandlal J. Agarwal**	**Minesh C. Shah**
Partner	**(Chairman & M.D.)**	**(Director)**
M.No.: 119398	(DIN : 00336556)	(DIN : 00045178)
Place : Ahmedabad	**Gopal D. Sharma**	**Darshan B. Shah**
Date : June 30, 2021	(CFO)	**(Company Secretary)**

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

a. Equity Share Capital

Amt in Rs.

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Nos.	Rs.	Nos.	Rs.
Equity shares of Rs. 10 each				
Fully paid up	7,000,000	70,000,000	7,000,000	70,000,000
Add : amount received on forfeited shares	-	-	-	-
	7,000,000	**70,000,000**	**7,000,000**	**70,000,000**

b. Other Equity

Amt in Rs.

Particulars	Reserves and Surplus				Total
	Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings	
Balance at 1st April, 2019	**64,000,000**	**1,500,000**	**-**	**103,389,407**	**168,889,407**
Profit for the year	-	-	-	1,826,811	1,826,811
Total Comprehensive Income for the year		-	-	(262,970)	(262,970)
Balance at 31st March, 2020	**64,000,000**	**1,500,000**	**-**	**104,953,248**	**170,453,248**
Balance at 1st April, 2020	**64,000,000**	**1,500,000**	**-**	**104,953,248**	**170,453,248**
Profit for the year	-	-	-	(4,235,014)	(4,235,014)
Total Comprehensive Income for the year		-	-	382,559	382,559
Balance at 31st March, 2021	**64,000,000**	**1,500,000**	**-**	**101,100,793**	**166,600,793**

As per our Report of even date

For and on behalf of the Board

For Vijay Moondra & Co.
Chartered Accountants
(Firm Reg. No.: 112308W)

(CA Vinit Moondra)
Partner
M.No.: 119398

Nandlal J. Agarwal
(Chairman & M.D.)
(DIN : 00336556)

Minesh C. Shah
(Director)
(DIN : 00045178)

Place : Ahmedabad
Date : June 30, 2021

Gopal D. Sharma
(CFO)

Darshan B. Shah
(Company Secretary)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Amt in Rs.

Particulars	For the year ended		For the year ended	
	31.03.2021	**31.03.2021**	**31.03.2020**	**31.03.2020**
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		(5,114,668)		2,221,030
Non-cash adjustment to reconcile profit before tax to net cash flows				
Other Comprehensive Income	382,559		(262,970)	
Depreciation/ amortisation on continuing operation	14,497,582		13,984,532	
MTM Gain on Non-current investment	-		(177,196)	
Windmill Income	(4,925,121)		(6,250,000)	
Interest income	(1,191,485)		(195,319)	
Finance Cost	6,763,563		9,390,026	
Loss on sale of Fixed Assets	17,855		28,080	
Profiton sale of Investment	(37,805)		-	
MAT Credit written off	-		218,643	
		15,507,147		16,735,796
Operating profit / (loss) before working capital changes		10,392,480		18,956,826
Movements in working capital:				
Decrease/ (increase) in inventories	1,153,983		(1,126,930)	
Decrease/ (increase) in trade receivables	12,379,377		(394,963)	
Decrease/ (increase) in other current assets	255,126		671,323	
Increase/ (decrease) in other current liabilities	206,113		832,030	
Increase/ (decrease) in trade payables	972,771		(4,643,605)	
Increase/ (decrease) in long-term provisions	875,771		1,092,135	
Increase/ (decrease) in short-term provisions	176,149		469,870	
		16,019,291		(3,100,141)
Cash generated from /(used in) operations		26411771		15,856,685
Direct taxes paid (net of refunds)		(1,190,611)		(1,563,184)
Net cash flow from / (used in) operating activities (A)		**25,221,159**		**14,293,501**
B. Cash flow from investing activities				
Interest received	1,191,485		195,319	
Movement in Long-term loans & advances	(25,008,109)		9,798,395	
Windmill Income	4,925,121.05			
Decrease / (Increase) in Bank deposits	439,956		(988,137)	
Purchase of Fixed Assets	(2,459,425)		(10,690,752)	
Sale of Investment	2,750,000			
Sale of Fixed Assets	16,000		640,195	
Net cash flow from / (used in) investing activities (B)		**(18,144,972)**		**(1,044,980)**
C. Cash flow from financing activities				
Finance cost	(6,763,563)		(7,703,962)	

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Amt in Rs.

Particulars	For the year ended		For the year ended	
	31.03.2021	**31.03.2021**	**31.03.2020**	**31.03.2020**
Proceeds / (Repayment) of Long Term Borrowings	5,958,951		(5,141,574)	
Proceeds from Short Term Borrowings	(6,326,652)		(570,059)	
Net cash flow from / (used in) financing activities (c)		**(7,131,264)**		**(13,415,595)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**(55,077)**		**(167,074)**
Cash and cash equivalents at the beginning of the year		225,463		392,536
Cash and cash equivalents at the end of the year		**170,386**		**225,463**
Reconciliation of Cash and Bank Balances with the Balance Sheet				
Cash and Bank Balances as per Balance Sheet (refer note 9 & 10)		1,491,065		1,986,098
Less: Bank Balances not considered as Cash and Cash Equivalents		(1,320,679)		(1,760,635)
Cash and Cash Equivalents as at the end of the year		**170,386**		**225,463**
Components of cash and cash equivalents				
Cash on Hand		170,386		221,220
Balance with banks in current accounts		-		4,243
Total Cash and cash equivalents		**170,386**		**225,463**

In terms of our report attached.

For and on behalf of the Board

For Vijay Moondra & Co.
Chartered Accountants
(Firm Reg. No.: 112308W)

(CA Vinit Moondra)
Partner
M.No.: 119398

Nandlal J. Agarwal
(Chairman & M.D.)
(DIN : 00336556)

Minesh C. Shah
(Director)
(DIN : 00045178)

Place : Ahmedabad
Date : June 30, 2021

Gopal D. Sharma
(CFO)

Darshan B. Shah
(Company Secretary)

Accompanying notes to the financial statements

Significant Accounting Policies and notes to the financial statements

1. Corporate Information

Lippi systems Ltd. ("the company") is engaged in gravure cylinders which are widely used in Rotogravure Printing, Anilox Rollers for flexo, Adhesive Coating, Decorative printing since 1993. The company has its registered office and corporate office in Ahmedabad with manufacturing facilities at Rakanpur (Kalol) – Gandhinagar. The company is a public limited company with its shares listed on BSE Limited (BSE).

2. Basis for Preparation of Financial statements, Significant Accounting Policies and critical estimates & judgments

A. Basis for Preparation of Accounts

The financial statements have been prepared under the historical cost convention, except Investments which are measured at fair value. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis. The preparation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and liabilities and revenue and expenditures during the reporting periods. Difference between actual results and estimates are recognized in the period in which they are known/ materialized.

B. Compliance with Ind AS

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as issued under the Companies (Indian Accounting Standards) Rule, 2015.

C. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Company in preparing its financial statements consistently to all the periods presented

I. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;

- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

Operating cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

II. Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumption and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results estimates are recognized in the period in which the result is known/materialized.

The said estimates are based on the facts and events, that existed as at reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Estimation of uncertainties relating to COVID-19 Pandemic (COVID-19):

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian Government, to stem the spread of COVID-19. Due to this, the company's manufacturing operations, distribution centres and extended supply chain partner locations also got temporarily disrupted.

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates, the company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

III. Financial instruments

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

A. Financial asset

i. Classification and measurement

Classification

The Company classifies its financial assets, other than investments in subsidiaries and joint venture in the following measurement categories:

a. those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

b. those measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

Measurement

At initial recognition, all financial assets are measured initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There is only one measurement category into which the Company classifies its debt instruments as follows:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts which are repayable on demand and form an integral part of an entity's cash management system.

Other bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

ii. Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33.2 details how the Company determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iii. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the financial asset have been transferred, or
- The Company retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cashflows to one or more recipients.

When the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognised.

When the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. When the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement of the asset.

iv. Income recognition

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

B. Financial liabilities

i. Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of Profit and Loss, loans and borrowing, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The company's financial liabilities include trade and other payables, loans and borrowings including cash credit facilities from banks and derivative financial instruments.

ii. Subsequent measurement:

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

Financial liabilities at fair value through Statement of Profit and loss. Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through Profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivatives financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and loss.

Financial liabilities designated upon initial recognition at fair value through statement of profit and loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risks are recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss.

Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Financial guarantee contracts:

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognized initially as a liability at fair value through statement of profit and loss (FVTPL), adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortisation.

iii. Derecognition:

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

C. Derivative financial instrument:

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instrument is initially recognized at fair value through consolidated statement of Profit and loss (FVTPL) on the date on which a derivative contract is entered into and is subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivative financial instrument are classified in the consolidated statement of Profit and loss and reported with foreign exchange gains/(loss) not within results from operating activities. Changes in fair value and gains/(losses) on settlement of foreign currency derivative financial instruments relating to borrowings, which have not been designed as hedge are recorded as finance cost.

D. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to relate the assets and settle the liabilities simultaneously.

IV. Property, plant and equipment

Property, plant and equipment are stated at cost, net of recoverable taxes less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and borrowing costs if capitalisation criteria are met, the cost of replacing part of the fixed assets and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significantly parts of fixed assets are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major overhauling is performed, its cost is recognized in the carrying amount of the Property, plant and equipment as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of Property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property,

plant and equipment, including day-to-day repair and maintenance expenditure and cost of parts replaced, are charged to the statement of Profit and Loss for the period during which such expenses are incurred.

Capital work in progress comprised of cost of Property, plant and equipment that are yet not installed and not ready for their intended use at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if applicable.

The Company calculates depreciation on items of property, plant and equipment on a straight-line method (SLM) basis as per the Companies Act 2013.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

V. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognised.

Amortisation

Software is amortized over management estimate of its useful life of 5 years.

VI. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined

for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

VII. Inventories

Inventories of Raw material, Work-in-progress, Finished goods and Stock-in-trade are valued at the lower of cost and net realisable value. However, Raw material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

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

Cost of Raw Material, Packing material, Chemicals, Stores and Consumables, Finished goods, trading and other products are ascertained on FIFO basis.

All other inventories of stores, consumables, project material at site are valued at cost. The stock of waste is valued at net realisable value.

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

VIII. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of Goods & Services Tax net of returns, trade discounts, rebates and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The specific recognition criteria described below must also be met before revenue is recognized.

a. Sale of Goods: Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

b. Sale of Services

Sales are recognised upon the rendering of services and are recognised net of Goods & Services Tax (GST).

c. Interest income

Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

d. Dividend

Dividend Income is recognised when the Company's right to receive is established which is generally occurred when the shareholders approve the dividend.

e. All other items are recognised on accrual basis.

IX. Taxes on Income

Tax expense comprises of current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of Profit and Loss is recognised outside the statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except.

- When the Deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent it is probable that future taxable amounts will be available against the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset arises relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets is to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of Profit and Loss is recognised outside the statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

X. Employee benefits

Short-term obligations

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

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period on government bonds using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of

experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:

a) defined benefit plans such as gratuity and

b) defined contribution plans such as provident fund.

Defined benefit plan

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

XI. Foreign Currency Transactions

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

Transactions in Foreign currency are recorded at the rate of exchange in force at the time transactions are affected and exchange difference, if any, on settlement of transaction is recognized in the Statement of Profit & Loss. Monetary transaction balance other than FCDL as on date of Balance Sheet have been reported at exchange rate on Balance Sheet

date and difference charged to the Statement of Profit & Loss. Forward contract premium paid on forward contracts are amortized to Statement of Profit &Loss over life of such contract.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

XII. Fair value measurement

The Company measures financial instruments such as Investments at fair value at the end of each reporting period.

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

- In the principal market for the asset or liability

Or

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and for non-recurring measurement, such as asset held for sale.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Company's Audit Committee.

Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

XIII. Investment and other Financial Assets

Financial assets are recognized and measured in accordance with Ind AS 109 – Financial Instruments. Accordingly, the company recognizes financial asset only when it has contractual right to receive cash or other financial assets from another Company.

a. Initial recognition and measurement

All financial assets, except investment in subsidiary are measured initially at fair value plus, transaction costs that are attributable to the acquisition of the financial asset. The transaction cost incurred for the purchase of financial assets held at fair value through profit or loss is expended in the statement of Profit and Loss immediately.

b. Subsequent measurement

For the purpose of Subsequent measurement financial assets are classified in three categories:

- Measured at amortised cost
- Measured at fair value through other comprehensive income (FVOCI)
- Measured at fair value through Profit and Loss (FVTPL)

XIV. Debt instruments at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are accounted for at amortized cost using the effective interest method. This category comprises trade accounts receivable, loans, cash and cash equivalents, bank balances and other financial assets. A gain or loss on a debt instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in the Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Debt instruments at fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through Other Comprehensive Income (FVOCI).

The movement in carrying amount are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified from equity to the Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method.

Debt instruments at fair value through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation at amortized cost or s FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

XV. Equity investments

All equity investments, except in subsidiary are measured at cost in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instruments as a FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of Investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company's Balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred substantially all the risks and rewards of the asset

XVI. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

XVII. Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements

XVIII. Earnings per share

Basic Earnings per Share is calculated by dividing the net profit/ loss for the year attributable to ordinary equity holders by the weighted average number of equity shares outstanding during the year.

Diluted Earnings Per Share is calculated by dividing the profit attributable to equity holders (or owners) of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares

XIX. Segment Reporting

The segments have been identified taking into account the nature of the products / services, geographical locations, nature of risks and returns, internal organization structure and internal financial reporting system. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,20201

3. Property, Plant And Equipment

Particular	Land	Building	Plant and Equipment	Solar Plant	Furniture and fixtures	Vehicles	Electric Installation	Office equipment	Computers	Windmill	Total
Gross Block											
Balance as at 1st April, 2019	2,532,999	41,379,230	206,714,316	9,033,684	6,852,188	5,762,837	10,592,045	4,344,098	4,402,037	97,973,766	389,587,200
Additions	-	-	5,096,801	-	-	4,533,472	-	522,064	142,416	-	10,294,753
Disposals	-	-	-	-	-	2,063,163	-	34,500	-	-	2,097,663
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2020	2,532,999	41,379,230	211,811,117	9,033,684	6,852,188	8,233,146	10,592,045	4,831,662	4,544,453	97,973,766	397,784,290
Balance as at 1st April, 2020	2,532,999	41,379,230	211,811,117	9,033,684	6,852,188	8,233,146	10,592,045	4,831,662	4,544,453	97,973,766	397,784,290
Additions			535,947			84,022		310,641	1,197,915		2,128,525
Disposals						64,713					64,713
Reclassification as held for sale											-
Balance as at 31st March, 2021	2,532,999	41,379,230	212,347,064	9,033,684	6,852,188	8,252,455	10,592,045	5,142,303	5,742,368	97,973,766	399,848,102
Accumulated Depreciation											
Balance as at 1st April, 2019	-	16,319,683	159,540,330	579,665	5,581,370	3,513,430	8,626,623	3,679,409	3,618,512	35,141,902	236,600,924
Deduction & Adjustment	-	-	-	-	-	1,402,773	-	26,615	-	-	1,429,388
Depreciaton for the period	-	1,542,365	4,180,587	571,832	143,088	686,425	402,163	205,419	260,696	5,827,339	13,819,914
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31ST Mach, 2020	-	17,862,048	163,720,917	1,151,497	5,724,458	2,797,082	9,028,786	3,858,213	3,879,208	40,969,241	248,991,450
Balance as at 1st April, 2020	-	17,862,048	163,720,917	1,151,497	5,724,458	2,797,082	9,028,786	3,858,213	3,879,208	40,969,241	248,991,450
Deduction & Adjustment						30,858					
Depreciaton for the period		1,542,365	4,313,885	571,832	139,982	834,076	367,636	277,426	431,961	5,827,339	14,306,502
Reclassification as held for sale											
Balance as at 31st March, 2021	-	19,404,413	168,034,802	1,723,329	5,864,440	3,600,300	9,396,422	4,135,639	4,311,169	46,796,580	234,684,949
Net carrying Amount											
Balance as at 31st March, 2020	2,532,999	23,517,182	48,090,200	7,882,187	1,127,730	5,436,064	1,563,259	973,449	665,245	57,004,525	148,792,839
Balance as at 31st March, 2021	2,532,999	21,974,817	44,312,262	7,310,355	987,748	4,652,155	1,195,623	1,006,664	1,431,198	51,177,186	136,581,008

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2021

4. Intangible Assets **Amt. in Rs.**

Particulars	Computer & Software
Gross Amount	
Balance as at 31st March, 2019	**27,713,510**
Additions	396,000
Disposals	-
Reclassification as held for sale	-
Balance as at 31st March , 2020	**28,109,510**
Additions	330,900
Disposals	-
Reclassification as held for sale	-
Balance as at 31st March , 2021	**28,440,410**
Accumulated Depreciation	
Balance as at 31st March, 2019	**27,330,568**
Deduction & Adjustment	-
Depreciaton for the period	164,618
Reclassification as held for sale	-
Balance as at 31st March, 2020	**27,495,186**
Deduction & Adjustment	-
Depreciaton for the period	191,080
Reclassification as held for sale	-
Balance as at 31st March, 2021	**27,686,266**
Net carrying amount	
Balance as at 31st March, 2020	614,324
Balance as at 31st March, 2021	754,144

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2021

5. Investments **Amt. in Rs.**

Particulars	Balance as at 31/03/2021	Balance as at 31/03/2020
Investments in Unquoted Shares of Bank & Other Cos.		
NIL (2,50,000) Equity Shares of Suryanagri Securities & Investment Ltd. @ Rs. 10 each fully paid up	-	2,712,196
Total	**-**	**2,712,196**

6. Other Non current Assets **Amt. in Rs.**

Particulars	Balance as at 31/03/2021	Balance as at 31/03/2020
Advance Against Capital Goods (unsecured, considered good)	457,625	457,625
Capital Advances	116,400,000	91,300,000
Advances other than capital advances		
Security Deposit	2,244,095	2,064,095
MAT Credit Entitlement (refer note 6.1)	9,532,646	9,804,537
Total	**128,634,366**	**103,626,257**

6.1 MAT credit entitlement :

Based on the assessment of the future taxable income, the Management is of the opinion that there is convincing evidence that the company will pay normal income tax within the specified period during which MAT credit is available for set off.

7. Inventories **Amt. in Rs.**

Particulars	Balance as at 31/03/2021	Balance as at 31/03/2020
Raw materials	13,837,327	14,866,819
Finished goods	59,366	58,422
Stores, chemicals and packing materials	3,482,646	3,608,081
Total	**17,379,339**	**18,533,322**

8. Trade receivables (current) **Amt. in Rs.**

Particulars	Balance as at 31/03/2021	Balance as at 31/03/2020
Unsecured, considered good	45,522,536	57,901,913
Total	**45,522,536**	**57,901,913**

9. Cash and cash equivalents **Amt. in Rs.**

Particulars	Balance as at 31/03/2021	Balance as at 31/03/2020
Balances with banks	-	4,243
Cash on hand	170,386	221,220
Total	**170,386**	**225,463**

10. Bank balances other than mentioned in cash and cash equivalents **Amt. in Rs.**

Particulars	Balance as at 31/03/2021	Balance as at 31/03/2020
Fixed Deposits with Banks (lodged against buyers credit and letter of credit)	1,320,679	1,760,635
Total	**1,320,679**	**1,760,635**

11. Other Current Assets **Amt. in Rs.**

Particulars	Balance as at 31/03/2021	Balance as at 31/03/2020
Other advances		
Staff advance	2,736,328	3,042,755
Prepaid expenses	290,974	128,662
Advances recoverable in cash or in kind	1,020,285	1,131,296
Balance with Income Tax Authorities	2,216,133	1,225,010
Total	**6,263,720**	**5,527,723**

12. Share capital

Amt in Rs.

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Units	Rs.	Units	Rs.
Authorised Share Capital :				
Equity Shares of Rs. 10 each	10,000,000	100,000,000	10,000,000	100,000,000
Issued & Subscribed :				
Equity Shares of Rs. 10 each	7,000,000	70,000,000	7,000,000	70,000,000
Paid Up :				
Fully paid up	7,000,000	70,000,000	7,000,000	70,000,000
Add : amount received on forfeited shares	-	-	-	-
	7,000,000	**70,000,000**	**7,000,000**	**70,000,000**

12.1. The reconciliation of the no. of shares outstanding is set out below : **Amt. in Rs.**

Particulars	As at 31/03/2021	As at 31/03/2020
Equity shares		
At Beginning of the period	7,000,000	7,000,000
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
At End of the period	**7,000,000**	**7,000,000**

12.2. Details of shareholders holding more than 5% shares

Amt in Rs.

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Units	% Holding	Units	% Holding
Mr. Kunal N. Agrawal	1,026,000	14.66%	1,026,000	14.66%
Mr. Nandlal J. Agrawal	1,474,895	21.07%	1,474,895	21.07%
Ms. Neha Nandlal Agarwal	426,574	6.09%	426,574	6.09%
Mr. Dhwarka Vithal Naik	448,715	6.41%	448,715	6.41%
Ms. Sangeetha S	363,080	5.19%	363,080	5.19%
Mrs. Shashiben G. Gupta	646,700	9.24%	646,700	9.24%

12.3 The Company has only one class of shares i.e. equity shares. All equity shares carry equal rights with respect to voting and dividend.

12.4 In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.

13. Other Equity

Amt in Rs.

Particulars	As at 31/03/2021	As at 31/03/2020
SECURITIES PREMIUM	**64,000,000**	**64,000,000**
CAPITAL RESERVE :		
State Subsidy	1,500,000	1,500,000
SURPLUS IN STATEMENT OF PROFIT AND LOSS :		
Balance at the beginning of the Year	104,953,248	103,389,407
Add: Profit after tax for the Year	(3,852,455)	1,563,841
Restatement effect due to Ind AS	-	-
Amount available for Approriation	**101,100,793**	**104,953,248**
Less: Appropriations	-	-
Balance at the end of the Year	101,100,793	104,953,248
TOTAL	**166,600,793**	**170,453,248**

14. Borrowings (Non Current)

Amt in Rs.

Non-current interest-bearing loans and borrowings	Balance as at 31/03/2021	Balance as at 31/03/2020
(A) Term loans from banks		
Secured	14,966,808	9,007,857
Total	**14,966,808**	**9,007,857**

14.1 Details of Loans

i. In FY 2016-17, all the rupee term loans of the company were converted into foreign currency (USD) term loans vide sanction dated 28/10/2016. The outstanding amount of the respective rupee term loans was converted into equivalent USD at the then prevailing rate of USD / INR of 73.78. Accordingly even the repayments are now scheduled to be made in USD.

ii. Outstanding Term loan of USD 1,49,977 i.e. equivalent to Rs. 110.65 Lakhs as on 31/03/2021 (including an amount of Rs. 47.23 Lakhs classified under current maturities of long term debt) relates to acquisition indigenous windmill turbine. The interest on the said loan is charged at 6M libor + 4.50%. It is secured by the hypothecation of the windmill acquired from the said loan. The loan is repayable in monthly installments of USD 5,335.09 and is expected to be repaid by July, 2023.

iii. The company has availed working capital loans of USD 3,02,378.71 (USD 3,03,610 outstanding as on 31/03/2021) and cash credit facility in INR of Rs. 2.25 Crs. from Indian Overseas Bank. The Interest on working capital loans in foreign currency is charged at 6M libor + 4.50% and on cash credit facility at 1 year MCLR + 0.20 %(SP)+ 1.40 %(RP)s. The said loans are secured against hypothecation of entire current assets of the company.

iv. During the year, the company has availed Term loan of Rs. 115 Lakhs (including an amount of Rs. 28.75 Lakhs classified under current maturities of long term debt) which is sanctioned under Gauranteed Emergency Credit Line scheme. The interest on the said loan is charged at RLLR(presently 7.25%) + 1%. The loan is repayable in 36 monthly installments of Rs.3,19,444/- and is expected to be repaid by June, 2024.

v. "The company has provided the following as collateral securities for the above loans and working capital facilities:

(a) Equitable mortgage followed by registered memorandum on Factory Land & Building situated at 540/P-2, Village Rakanpur Sola, Satej Road, Kalol in the name of the Company,

(b) Plant & Machinery and other Misc. Assets of the Company and

(c) Freehold NA Land at village Ranchodpura, Taluka Kalol in the name of M/s. Satya Prakash Infrastructure Private Limited. Further the loans are backed by corporate guarantee of M/s. Satya Prakash Infrastructure Private Limited along with the personal guarantee of Shri Nandlal Agrawal and Shri Kunal Agrawal."

There is no continuing default in repayment of loans and interest as on March 31, 2021 for any loans under this head.

15. Provisions (Non Current)

Amt in Rs.

Particulars	Balance as at 31/03/2021	Balance as at 31/03/2020
Provision for Gratuity	8,251,178	7,375,407
Total	**8,251,178**	**7,375,407**

16. Deferred Tax Liabilities (Net)

Amt in Rs.

Particulars	Balance as at 31/03/2021	Balance as at 31/03/2020
Liability Relating to earlier years	17,041,844	18,008,382
Add/(Less): Charge/(Credit) to Statement of Profit & Loss	(1,079,142)	(966,538)
Net Total	**15,962,702**	**17,041,844**

16.1 Component of Deferred Tax Liabilities (Net)

Amt in Rs.

Particulars	Balance as at 31/03/2021	Balance as at 31/03/2020
Deferred Tax Liabilities		
On Account of Depreciation	18,539,075	19,293,907
On Account of MTM	-	46,071
Total (A)	**18,539,075**	**19,339,978**
Deferred Tax Assets		
Disallowance U/S.43B (Gratuity Provision)	2,576,373	2,298,134
Total (B)	**2,576,373**	**2,298,134**
Deferred Tax Liabilities (Net) (A-B)	**15,962,702**	**17,041,844**

17. Borrowings (Current)

Amt in Rs.

Current interest-bearing loans and borrowings	Balance as at 31/03/2021	Balance as at 31/03/2020
Working Capital Loans		
From banks		
Secured	42,326,037	48,984,516
Loans from Directors		
Unsecured	357,827	26,000
Total	**42,683,864**	**49,010,516**

"For details of working capital loans, please refer point no. 14.1. There is no default in repayment of loan and interest as on March 31, 2021 for any borrowings under this head."

18. Trade Payables (Current)

Amt in Rs.

Particulars	Balance as at 31/03/2021	Balance as at 31/03/2020
Unsecured		
Total outstanding dues of micro enterprises and small enterprises	1,586,567	435,294
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,597,408	5,775,910
Total	**7,183,975**	**6,211,204**

18.1. Disclosures u/s 22 of Micro, Small and Medium Enterprises development Act, 2006 (MSMED ACT)

Amt in Rs.

Particulars	Balance as at 31/03/2021	Balance as at 31/03/2020
Principal amount remaining unpaid to any supplier as at the end of accounting year	1,586,567	435,294
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the reporting period of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
Amount of further interest remaining due and payable even in succeeding years, untill such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductivble expenditure under Section 23 of MSMED Act.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the management. This has been relied upon by the auditors.

19. Other Current liabilities

Amt in Rs.

Particulars	Balance as at 31/03/2021	Balance as at 31/03/2020
Current maturities of long-term debt	7,598,471	5,404,707
Creditors for capital expenditure	27,355	-
Statutory Dues	1,675,443	1,173,635
Other payables (refer note no. 20.1)	-	2,516,814
Total	**9,301,269**	**9,095,156**

19.1 Other Payables include advance received from customers.

20. Provisions (Current)

Amt in Rs.

Particulars	Balance as at 31/03/2021	Balance as at 31/03/2020
Provisions for Employee Benefits		
Provision for salary & reimbursements	17,640	35,869
Provision for gratuity	1,657,949	1,463,571
Total	**1,675,589**	**1,499,440**

21. Revenue from operations

Amt in Rs.

Particulars	2020-21	2019-20
Sale of Products	130,865,576	139,160,522
TOTAL	**130,865,576**	**139,160,522**

21.1. Sale of Products

Amt in Rs.

Name of Product	2020-21	2019-20
Sales	95,789,346	97,027,013
Re Engraving Receipt	35,032,431	40,157,800
Export Sales	43,799	1,975,709
TOTAL	**130,865,576**	**139,160,522**

22. Other income

Amt in Rs.

Particulars	2020-21	2019-20
Interest Income	1,191,485	195,319
Profit on Sale of Investment	37,805	-
Income from Windmill	4,925,121	12,275,529
Other Non-Operating Income	2,093,436	482,704
Total	**8,247,847**	**12,953,552**

23. Cost of materials consumed

Amt in Rs.

Particulars	2020-21	2019-20
Opening Stock	14,866,819	12,254,182
Add : Purchases	44,128,125	40,826,200
Sub Total	**58,994,944**	**53,080,382**
Less : Closing Stock	13,837,327	14,866,819
Total	**45,157,617**	**38,213,563**

23.1. Analysis of Raw Materials Consumed

Amt in Rs.

Particulars	2020-21		2019-20	
	Amount Rs.	% of Total Consumption	Amount Rs.	% of Total Consumption
Imported	-	0.00%	337,536	0.88%
Indigeneous	45,157,617	100.00%	37,876,027	99.12%
Total	**45,157,617**	**100.00%**	**38,213,563**	**100.00%**

24. Changes in Inventories of Finished goods and Waste

Amt in Rs.

Particulars	2020-21	2019-20
Closing Stock		
Finished goods / stock-in-trade	59,366	58,422
Total	**59,366**	**58,422**
Opening Stock		
Finished goods / stock-in-trade	58,422	37,300
Total	**58,422**	**37,300**
Total (Increase) / Decrease In Stock	**(944)**	**(21,122)**

25. Employee benefit expense

Amt in Rs.

Particulars	2020-21	2019-20
Salaries and wages	26,296,775	27,864,846
Contribution to provident and other funds	174,643	188,099
Staff welfare expenses	233,364	572,202
Gratuity (refere note 26.1)	1,452,708	1,301,312
Total	**28,157,490**	**29,926,459**

25.1 Additional disclosures relating to Employee Benefit Obligations/ Expenses

(i) post Employment Defined Contribution Plan

The Company contributes to the Provident Fund (PF) maintained by the Regional Provident Fund Commissioner. Under the PF scheme contributions are made by both the Company and its eligible employees to the Fund, based on the current salaries. An amount of Rs.1,74,643 (31st March 2020 : Rs. 1,88,099) has been charged to the Statement of Profit and Loss towards Company's contribution to the aforesaid PF scheme. Apart from making monthly contribution to the scheme, the Company has no other obligation.

(ii) Post Employment Defined Benefit Plan-Gratuity (Funded)

The Company provides for Gratuity, a defined benefit retirement plan covering eligible employees.

A. Defined Contribution Plans

Contributions to defined contribution plans, recognised as expense for the year is as under :

Amt in Rs.

Particulars	2020-21	2019-20
Employer's contribution to provident fund and pension fund	174,643	188,099

B. Defined Benefit Plans

Contributions to defined benefit plan is as under :

Amt in Rs.

Change in defined benefit obligation	2020-21	2019-20
Opening defined benefit obligation	8,838,978	7,274,696
Current Service cost	921,687	786,109
Interest cost	531,021	515,203
Acturial losses (gains) due to change in financial assumption	38,452	666,214
Acturial losses (gains) due to experience adjustments	(421,011)	(403,244)
Benefit paid	-	-
Closing defined benefit obligation	**9,909,127**	**8,838,978**

B. Defined Benefit Plans

Contributions to defined benefit plan is as under :

Amt in Rs.

Change in plan assets	2020-21	2019-20
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Contributions by employer	-	-
Acturial losses / (gains)	-	-
Benefits paid	-	-
Closing fair value of plan assets	-	-

Amt in Rs.

Reconciliation of fair value of assets and obligations	2020-21	2019-20
Fair value of plan assets	-	-
Present value of obligation	9,909,127	8,838,978
Amount recognised in Balance Sheet	9,909,127	8,838,978

Amt in Rs.

The net amount recognised in the statement of Profit & Loss for the year ended 31st March,2021	2020-21	2019-20
Current service cost	921,687	786,109
Interest on obligation	531,021	515,203
Expected return on plan assets		
Past service cost and loss/ (gain) on curtailments and settlement		
Total recognised in the Statement of Profit & Loss	**1,452,708**	**1,301,312**

Amt in Rs.

The net amount recognised in Other Comprehensive Income (OCI) for the year ended 31st March,2021	2020-21	2019-20
Components of actuarial (Gains)/Losses on Obligation		
- Due to change in financial assumptions	38,452	666,214
- Due to experience adjustments	(421,011)	(403,244)
Net (income)/ expense for the period recognised in OCI	**(382,559)**	**262,970**

Amt in Rs.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)	2020-21	2019-20
Discount rate	6.50%	6.55%
Expected rate of return on plan assets	-	-
Annual increase in salary costs	6.00%	6.00%
Withdrawal rate	10% p.a at younger ages reducing to 2% at older ages	10% p.a at younger ages reducing to 2% at older ages
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The expected maturity analysis of undiscounted gratuity benefit is as follows:

Projected benefits Payable in Future Years from the date of Reporting:

Amt in Rs.

Particulars	2020-21	2019-20
1st Following Year	1,657,949	1,463,571
2nd Following Year	304,105	272,291
3rd Following Year	733,681	216,890
4th Following Year	1,821,725	728,053
5th Following Year	201,458	1,711,556
Sum of Year 6 to year 10	4,683,802	3,976,945

Sensitivity Analysis

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

Amt in Rs.

Particulars	2020-21	2019-20
Project Benefit Obligation on Current Assumption	9,909,127	8,838,978
Delta Effect of +0.5% Change in Rate of Discounting	(372,689)	(329,082)
Delta Effect of -0.5% Change in Rate of Discounting	399,986	352,683
Delta Effect of +0.5% Change in Rate of Salary Increase	372,818	312,189
Delta Effect of -0.5% Change in Rate of Salary Increase	(356,679)	(304,705)
Delta Effect of 10% Change in Withdrawal rate (W.R.)	12,450	(596,282)
Delta Effect of -10% Change in Withdrawal rate (W.R.)	(13,060)	(4,040)

The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and and demand in the employment market. The above information is actuarially determined upon which reliance is placed by the auditors.

Current and non current classification is done based on actuarial valuation certificate.

26. Finance costs **Amt in Rs.**

Particulars	2020-21	2019-20
Interest expense		
- Bank interest	4,918,867	5,308,288
- Others	-	1,686,064
Other Borrowing Costs	1,844,696	2,395,674
Total	**6,763,563**	**9,390,026**

27. Depreciation and Amortisation expense **Amt in Rs.**

Particulars	2020-21	2019-20
Depreciation	14,306,502	13,819,914
Amortisation	191,080	164,618
Total	**14,497,582**	**13,984,532**

28. Other expenses **Amt in Rs.**

Particulars	2020-21	2019-20
Manufacturing Expenses		
Stores, chemicals and packing materials	9,507,352	12,386,652
Freight & Cartage	868,309	768,569
Processing & other expenses	2,301,508	6,426,820
Power & Fuel	10,523,702	10,391,948
Repairs to machinery	2,311,172	1,580,108
Selling and Distribution Expenses		
Advertisement	313,115	44,828
Sales Promotion & Exhibition Expenses	898,549	166,667
Others		
Commission	4,098,212	4,372,738
Travelling & Conveyance	1,009,727	1,223,464
Postage & Telephone	484,147	664,362
Insurance	263,587	244,129
Rent, Rates & Taxes	3,811,840	4,026,450
Professional & Legal Expenses	1,652,747	3,306,726
Repairs & Maintenance - Buildings	774,050	493,303

28. Other expenses Amt in Rs.

Particulars	2020-21	2019-20
Repairs & Maintenance - Others	2,301,758	1,484,274
Factory General Expenses	1,051,739	712,447
Printing & Stationery	1,028,900	1,285,786
Electricity Charges	535,630	674,826
Auditors' Remuneration (refer note 28.3)	50,000	50,000
Office Expenses	517,045	398,154
Security	720,573	621,213
Web & Internet Expenses	241,073	390,681
Bank Charges	72,320	62,132
Bad debts	62,962	247,451
Claim & Vatav	976,006	2,427,970
Donation	291,000	31,000
Transmission & other charges	2,513,694	2,363,560
Service Tax & Excise	-	870,815
Interest on TDS	9,466	26,595
Interest on Indirect Tax	1,755	415,567
GST Expense	9,804	-
Misc. Expenses	193,918	77,220
Penalty	210,128	132,102
Membership Fees	29,140	2,950
Loss on sale of Fixed Assets	17,855	28,080
Total	**49,652,783**	**58,399,586**

28.1. Break Up of Stores and Spares Consumed Amt in Rs.

Particulars	2020-21		2019-20	
	Amount Rs.	% of Total Consumption	Amount Rs.	% of Total Consumption
Imported	-	0.00%	337,536	3.15%
Indigeneous	7,855,282	100.00%	10,369,083	96.85%
Total	**7,855,282**	**100.00%**	**10,706,619**	**100.00%**

28.2. CIF Value of Import Amt in Rs.

Particulars	2020-21	2019-20
Raw Material	-	-
Stores & Spares	-	337,536
Total	**-**	**337,536**

28.3. Auditor Remuneration & others

Amt in Rs.

Particulars	2020-21	2019-20
Fees as Auditors	50,000	50,000
Total	**50,000**	**50,000**

28.4. Expenditure in Foreign Currency

Amt in Rs.

Particulars	2020-21	2019-20
Bank Interest	2,436,429	3,181,354
Bank Loan Principle Repayment	4,345,615	4,898,835
Bank Charges	-	1,267
Total	**6,782,044**	**8,081,456**

28.5. Earnings In Foreign Currency

Amt in Rs.

Particulars	2020-21	2019-20
Exports :-		
Direct Exports (FOB Value)	44,396	2,079,245
Total	**44,396**	**2,079,245**

29. RELATED PARTY DISCLOSURES :

As per the Indian Accounting Standard 24, disclosure of transactions with related parties (as identified by the management), as defined in the Indian Accounting Standard are given below:

29.1

Amt in Rs.

RELATIONSHIP	2020-21	2019-20
1. Holding Company:	NIL	NIL
2. Subsidiary Company:	NIL	NIL
3. Key Managerial personnel & their relatives:	Mr. Nandlal Agarwal, Managing Director Mr. Kunal Agarwal, Whole Time Director Mr. Minesh Shah, Whole Time Director Mr. Govindbhai Thakkar, Independent Director Mr. Tirthraj pandya, Independent Director Mr. Kamlesh Sharma, Independent Director Ms. Swetal Sapra, Woman Independent Director Mrs. Shashi Nandlal Agarwal, Relative of Director	

29.1 Amt in Rs.

RELATIONSHIP	2020-21	2019-20
	M/s. Prince Enterprise, Related party Mr. Gopalkrishna Sharma, Chief Financial Officer Mr. Darshan Shah, Company Secretary	

29.2. Directors Remuneration Amt in Rs.

Particulars	2020-21	2019-20
Mr. Nandlal Agarwal	1,800,000	1,800,000
Mr. Kunal N. Agrawal	1,200,000	1,200,000
Mr. Minesh C. Shah	1,170,000	1,170,000

29.3. Details of loans Amt in Rs.

Particulars	Key Managerial Personnel (KMP) & Relatives
Loan taken	55,126,826
Loan repaid	54,795,000

29.4. Rent Amt in Rs.

Particulars	2020-21	2019-20
Rent paid to Mrs. Shashi Nandlal Agarwal	3,000,000	3,000,000
Rent received from Prince Enterprise	950,000	-

30. Earning Per Share

Earning Per share is calculated by dividing the Profit / (Loss) attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earning per Equity Share as stated below:

Amt in Rs.

Particulars	2020-21	2019-20
Profit/(Loss) for the year	(4,235,014)	1,826,811
Less: Dividend on Preference Shares	-	-
Net Profit / (Loss) attributable to Equity Shareholders	(4,235,014)	1,826,811
Add\Less: Extra Ordinary Items	-	-
Profit / (Loss) after taxation before Extra Ordinary Items	(4,235,014)	1,826,811
Number of shares outstanding during the Year	7,000,000	7,000,000
Number of Equity Shares for Basic EPS	7,000,000	7,000,000
Add : Diluted Potential Equity Shares	-	-
Number of Equity Shares for Diluted EPS	7,000,000	7,000,000
Basic Earning Per Share	(0.61)	0.26
Diluted Earning Per Share	(0.61)	0.26
Nominal Value Per Share	10	10

31. Segment Information

"The company is organised into two main business segments, namely production of engraving cylinders and generation of power from wind turbine generator.The disclosures regarding the segment information is as follows :"

Amt in Lakh.

Particulars	2020-21	2019-20
1. Segment Revenue (Net Revenue)		
a. Manufacturing of Engraved Cylinders	1,341.88	1,398.39
b. Power Generation through Windmill	49.25	122.76
TOTAL	**1,391.13**	**1,521.14**
2. Segment Result		
Profit before tax and interest		
a. Manufacturing of Engraved Cylinders	50.65	75.26
b. Power Generation through Windmill	(34.16)	40.85
	16.49	116.11
Less : Interest	67.64	93.90
Total Profit / (loss) before tax	**(51.15)**	**22.21**

32. Risk measurement, Objectives and Policies.

32.1 Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings in domestic & foreign currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks and how the Company is managing such risk.

The company's Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

32.2 Credit Risk Management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and others. In addition, credit risk arises from financial guarantees.

The Company implements a credit risk management policy under which the Company only transacts business with counterparties that have a certain level of credit worthiness based on internal assessment of the parties, financial condition, historical experience, and other factors. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component that are expected to occur. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. Debt securities are analyzed individually, and an expected loss shall be directly deducted from debt securities.

Credit risk also arises from transactions with financial institutions, and such transactions include transactions of cash and cash equivalents and various deposits. The Company manages its exposure to this credit risk by only entering into transactions with banks that have high ratings. The Company's treasury department authorizes, manages, and oversees new transactions with parties with whom the Company has no previous relationship.

The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly.

(a) The ageing analysis trade receivables from the date the invoice falls due is given below :

Amt in Rs.

Particulars	Balance as at 31/03/2021	Balance as at 31/03/2020
Up to 3 months	29,690,175	25,491,344
3 to 6 months	9,102,567	14,981,699
6 to 12 months	2,462,892	11,464,386
Beyond 12 months	4,266,902	5,964,484
Gross Carrying Amount	**45,522,536**	**57,901,913**
Expected Credit Losses	-	-
Net Carrying Amount	**45,522,536**	**57,901,913**

(b) Details of single customer accounted for more than 10% of the accounts receivable as at 31st March 2021 and 31st March 2020

Amt in Rs.

Particulars	Balance as at 31/03/2021	Balance as at 31/03/2020
Makers Polyfilms Pvt. Ltd.	4,031,967	17,091,596
Uma converter limited	3,805,811	3,129,278
Phoenix Flexibles Pvt. Ltd.	4,286,291	-

(C) Details of single customer accounted for more than 10% of revenue for the year ended at 31st March 2021 and 31st March 2020:

Amt in Rs.

Particulars	Balance as at 31/03/2021	Balance as at 31/03/2020
Makers Polyfilms Pvt. Ltd.	9,571,048	25,979,758
Uma converter limited	13,409,115	15,346,586

32.3 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always 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 company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual discounted payments.

Amt in Rs.

Particulars	As at 31/03/2021			As at 31/03/2020		
	Less than 1 yr.	1 to 5 yrs.	Total	Less than 1 yr.	1 to 5 yrs.	Total
Borrowings including interest obligations	49,924,508	14,966,808	64,891,316	54,389,223	9,007,857	63,397,080
Trade payables	7,183,975	-	7,183,975	6,211,204	-	6,211,204
Total	**57,108,483**	**14,966,808**	**72,075,291**	**60,600,427**	**9,007,857**	**69,608,284**

32.4 Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings. The goal of market risk management is optimization of profit and controlling the exposure to market risk within acceptable limits.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this

department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

a) Interest rate risk

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings

Amt in Rs.

Particulars	Change in basis points	As at 31/03/2021	As at 31/03/2020
Term Loan from Banks	50	112,826	72,063
	(50)	(112,826)	(72,063)
Working Capital Facilities from Bank	50	211,630	244,923
	(50)	(211,630)	(244,923)

b) Foreign currency risk

Though company's operation are mainly in domestic market, company is exposed to foreign exchange risk arising from foreign currency transactions, with respect to export of goods and short term borrowings in USD. Foreign exchange risk arises from commercial transactions and recognized assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

i) The Company has exposure to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The exposure to currency risk as of 31st March 2021 and 31st March 2020 are as follows:

Amt in Rs.

Particulars	As at 31/03/2021	As at 31/03/2020
Financial Liabilities		
Borrowings (at exchange rate as on 31st March)	22,400,324	22,611,103
Borrowings (Considering increase in USD/INR rate by 5%)	23,520,341	23,741,658
Borrowings (Considering increase in USD/INR rate by 10%)	24,640,357	24,872,213
Borrowings (Considering decrease in USD/INR rate by 5%)	21,280,308	21,480,548

ii) As of 31st March 2021 and 31st March 2020, provided that functional currency against foreign currencies other than functional currency hypothetically strengthens or weakens by 5% and strengthens by 10%, the changes in gain or loss for the years ended 31st March 2021 and 31st March 2020 were as follows:

Amt in Rs.

Particulars	Impact on PBT	
	Year ended 31/03/2021	Year ended 31/03/2020
USD		
5% Increase	3,822	316,641
10% Increase	7,637	501,764
5% Decrease	(3,822)	(53,605)

c) Commodity Price Risk

Principal Raw Material for company's products are Copper Nuggets, MS Flange, MS Pipe, Nickle pallate (ball) and Old Cylinder. Company sources its raw material requirements from domestic markets as well as International markets. Domestic market price generally remains in line with international market prices. Volatility in metal prices, currency fluctuation of rupee vis-a-vis other prominent currencies coupled with demand-supply scenario in the world market affects the effective price of raw materials. Company effectively manages availability of material as well as price volatility through well planned procurement and inventory strategy and also through approprate contracts and commitments.

d) Sensitivity Analysis

The table below summarises the impact of increase/decrease in prices of Copper Nuggets, MS Flange, MS Pipe, Nickle pallate (ball) and Old Cylinder on profit for the period.

Amt in Rs.

Particulars	Impact on PBT	
	2020-21	2019-20
Increase in price of raw materials by 5%	(2,011,732)	(1,832,743)
Decrease in price of raw materials by 5%	2,011,732	1,832,743

33. Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

Amt in Rs.

Particulars	As at 31/03/2021	As at 31/03/2020
Borrowings	65,249,143	63,423,080
Less: Cash & Cash Equivalents	170,386	225,463
Net Debt (A)	65,078,757	63,197,617
Total Equity (B)	236,600,793	240,453,248
Equity and Net Debt [(C): (A)+(B)]	301,679,550	303,650,866
Gearing Ratio [(A)/(C)]	0.22	0.21

34. "GLOBAL HEALTH PANDEMIC - COVID-19

In the fourth quarter of FY 2019-20, we had seen an unprecedented global breakout of the COVID-19 pandemic leading to a humanitarian crisis and a significant economic fallout. The complexity and volatility continue to rise. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc. In assessing the recoverability of Company's assets such as Investments, Loans, intangible assets, Goodwill, Trade receivable etc. the Company has considered internal and external information. In assessing the recoverability of Company's assets such as Investments, Loans, intangible assets, Goodwill, Trade receivable etc. the Company has considered internal and external information. The Company has performed sensitivity analysis on the assumptions used basis the internal and external information/indicators of future economic conditions, the Company expects to recover the carrying amount of the assets."

"In these uncertain times, as the economy, consumer and channel landscape rapidly evolve, we continue to be agile and responsive to leverage market opportunities and navigate through the challenges. By staying close to consumers and their needs, we ensure that our business continues to grow, while having a positive impact on people and the planet. Our strategy is constantly evolving to adapt to the trends and forces shaping our markets and impacting our multi stakeholders."

35. In terms of Ind AS 36, the management has reviewed its fixed assets and arrived at the conclusion that impairment loss which is difference between the carrying amount and recoverable value of assets, was not material and hence no provision is required to be made.

36. The company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of June 30, 2021, there were no subsequent events to be recognized or reported that are not already previously disclosed.

37. The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation. Further the figures have been rounded off to the nearest rupee.

As per our Report of even date

For and on behalf of the Board

For Vijay Moondra & Co.
Chartered Accountants
(Firm Reg. No.: 112308W)

(CA Vinit Moondra)
Partner
M.No.: 119398

Nandlal J. Agarwal
(Chairman & M.D.)
(DIN : 00336556)

Minesh C. Shah
(Director)
(DIN : 00045178)

Place : Ahmedabad
Date : June 30, 2021

Gopal D. Sharma
(CFO)

Darshan B. Shah
(Company Secretary)

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