LIPPI SYSTEMS LIMITED

Translating Vision into Reality

Date: 30/09/2020

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 2019-20 along with the Notice convening the Annual General Meeting scheduled to be held on Tuesday, October 27, 2020 at 11:30 a.m. IST though VC/OAVM.

Kindly take the same on your record.

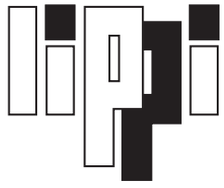
FOR, LIPPI SYSTEMS LIMITED

Lippi Systems Limited Ahmedabad

DARSHAN SHAH
Company Secretary

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
2019 - 2020

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 (up to 14/08/2019)
Ms. Swetal Sapra	Director (From 14/08/2019)
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
27thANNUAL GENERAL MEETING

NOTICE TO MEMBER

Notice is hereby given that the 27thAnnual General Meeting of the members of the Company will be held on Tuesday, the 27th day of October, 2020 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, 2020 and reports of the Board of Directors ('the Board') and Auditor's thereon.
2. To appoint a director in place of Mr. Minesh C. Shah (DIN: 00045178), who retires by rotation and being eligible offers himself for re-appointment.

Place: - Ahmedabad

By order of the Board of Directors

Date: - 14/08/2020

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

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. At the twenty-fourth AGM held on September 29, 2017 the Members approved appointment of M/s. Vijay Moondra & Co., Chartered Accountants (Firm Registration No.112308W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the twenty-eighth AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM.

3. A Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto. If Any.

4. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

5. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

7. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated May 12, 2020, the Notice of AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2019-20 has been uploaded on the website of the Company at www.lippisystems.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com.

8. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Sect ion 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.

9. The Register of Members and Share Transfer books of the company will remain close from Tuesday, the 20th October, 2020 to Tuesday, the 27th October, 2020 (both days inclusive).

10. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Cameo Corporate Services Private Limited for assistance in this regard.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their

PAN to the Company.

12. Members holding shares in their single names are advised to make a nomination in respect of their shareholding in the Company. Members holding shares in physical form should file their nomination with the Company whilst those Members holding shares in demat mode should file their nomination with their Depository Participant.

13. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearance Services (NECS), Electronic Clearing Services (ECS), mandates, nominations, power of attorney, change of address, change of name, Email address, contact numbers, etc. to their Depository Participants (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Share Transfer Agents, Cameo Corporate Services Private Limited, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.

14. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

15. Members seeking any information with regard to the Accounts, are requested to write to the Company at least 7 days before the meeting so as to enable the Management to keep the information ready at the meeting.

16. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Cameo Corporate Services Private Limited in case the shares are held by them in physical form.

17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

18. The instructions for e-Voting System – Remote & Venue Voting Facility:

1. 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 the Circulars issued by the Ministry of Corporate Affairs 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. 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 venue voting system on the date of the AGM will be provided by CDSL.

2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting

(AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. 20th October, 2020, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting right s as on the Cut-off date, shall treat this Notice as intimation only.

7. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. 20th October, 2020 shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.

8. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.

9. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. 20th October, 2020.

10. The Company has appointed CS Nirav Soni, Practicing Company Secretary (Membership No. FCS: 39566; CP No: 14695), to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

19. Process for those shareholders whose email ids are not registered:

a) 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.

b) For Demat shareholders -, please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.

20. THE INSTRUCTIONS FOR SHAREHOLDRES FOR REMOTE VOTING ARE AS UNDER:

(i) the voting period begins on Thursday, 22nd October, 2020 at 09.00 AM and ends on Monday, 26th October, 2020 at 05.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 20th October, 2020 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) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders.

(v) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form 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) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
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).

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

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.

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

(xii) Click on the EVSN for the Lippi Systems Limited on which you choose to vote.

(xiii) 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.

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

(xv) 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.

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

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

(xviii) 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.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

21. THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ON THE DAY OF THE AGM ON e-VOTING SYSTEM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those Members/ shareholders, who will be 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 in the AGM.

3. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.

4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

22. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. 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.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request 7 days prior to

   meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@lippisystems.com.

6. Shareholders who would like to express their views/have questions may send their questions in advance 7 days prior to meeting mentioning their name demat account number/folio number, email id, mobile number at cs@lippisystems.com. The same will be replied by the company suitably.

7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

   (xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- 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, if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, 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 1800225533.

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

Details of Directors seeking appointment/re-appointment at the Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are as under:

MINESH C SHAH – Whole Time Director

Name of Director	**Mr. Minesh C. Shah** **DIN: 00045178**
Date of Birth	01.01.1967
Date of Appointment	03.03.2003
Relationship with other Directors Inter se	N.A
Profile & Expertise in Specific functional Areas	Technical Expertise
Qualification	Diploma in Production Engineering, Mumbai
Nationality	Indian
No. of Equity Shares held in the Company	3,30,000
List of other Companies in which Directorships are held	No
List of committees of Board of Directors (across all other Companies) in which Chairmanship/Membership is held	Nil

DIRECTORS REPORT

To,
The Members of,
LIPPI SYSTEMS LIMITED

Your directors have pleasure in presenting their 27th Annual Report together with the Audited Annual accounts for the year ended on 31st March, 2020.

FINANCIAL RESULTS: (Rs in Lacs)

Particulars:	2019-20	2018-19
Net Sales	1391.61	1594.72
Other Income	129.54	105.68
Finance Cost	93.90	104.62
Depreciation	139.85	148.60
Income Tax Provision	13.68	21.41
Deferred Tax Liability	9.67	(16.30)
Net Profit	**15.64**	**79.64**

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. 13.92 crores as compared to Rs. 15.95 crores for the previous year. Your company could achieve a net profit of Rs. 15.64 lacs as against a net profit of Rs. 79.64 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, 2020 was Rs 10,00,00,000 (Rupees Ten crores) divided into1,00,00,000 (One crores) equity shares of Rs 10 each.

The paid up share capital of the Company as on March 31, 2020, 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 FY20-21. We can expect the business to normalize from the 3rd quarter of FY20-21. 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 on General Meetings during the year.

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 G. Gupta (Wife of Mr. Nandlal J. Agrawal, MD & Chairman) during the financial year 2019-20, 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 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 2019-20

TRANSFER TO RESERVES:

The Company has transferred current year's profit of Rs. 1563841/- to the Reserve & Surplus and the same is in compliance with the applicable provisions prescribed under the Companies Act, 2013.

DIRECTORS:

(i) Appointment

Ms. Swetal Sapra, was appointed as an Additional Woman Director in the Board of Directors Meeting held on 14.08.2019 and appointed her as Woman Independent Director for the period of 5 years from 14.08.2019.

(ii) Retirement by rotation

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Minesh C. Shah (DIN: 00045178) 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 Seven Meetings of the Board were held. The Board of directors was met on 04/05/2019, 30/05/2019, 13/08/2019, 14/08/2019, 14/11/2019, 31/12/2019 and 14/02/2020.

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	7	Yes	None
2	Shri Minesh Shah (DIN: 00045178)	Executive	7	Yes	None
3	Shri Kunal Agrawal (DIN: 00169324)	Executive	7	Yes	None
4	Shri Tirthraj Pandya (DIN: 02972285)	Independent	7	Yes	Member in One Committee& Chairman in one Committee
5	Shri Kamlesh Sharma (DIN: 01563040)	Independent	7	Yes	Chairman in one Committee
6	Ms Swetal Sapra (DIN: 07155395)	Woman -Independent	4	Yes	Member in three Committee
7	Shri. Govind C. Thakkar (DIN: 07531165)	Independent	7	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".

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure - B".

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 Govind C Thakkar (DIN: 07531165) Chairperson, Shri Tirthraj Pandya (DIN: 02972285) Member and Smt. Jesalben Shah (DIN: 07155395) Member up to 14.08.2019, Smt. Swetal Sapra (DIN: 08536677) from 14.08.2019.

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)©of the Companies Act, 2013:

(i) that in the preparation of the annual financial statements for the year ended March 31, 2020, 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, 2020 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 28th Annual General Meeting to be held in the year 2021 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 - C".

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 2020-21.

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 of Rs.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 2019-20.

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 - D".

CORPORATE GOVERNANCE

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 - E".

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 / 2020

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 2019-20	Year ended 2018-19
1) Electricity		
a) Purchased		
Unit Nos.	1308064	1455779
Total Amt. (Rs)	9731533.87	10204238.93
Rate Per Unit (Rs)	7.44	7.01
b) Own Generation		
Through Diesel Generation Set		
Units	21520	19320
Unit per liter of Diesel Oil	3.16	3.45
Cost per Unit	21.62	17.70

(B) CONSUMPTION PER UNIT OF PRODUCTION:

Particulars	2019-20	2018-19
Consumption per square meter of Production Electricity (No. of Units)	263.95	275.04

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 OUTGO:

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"

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	L22100GJ1993PLC020382
2	Registration Date	8/10/1993
3	Name of the Company	LIPPI SYSTEMS LTD
4	Category/Sub-category of the Company	Company limited by shares Non-govt company
5	Address of the Registered office & contact details	3rd Floor, Satya Complex, Opp. IOC Petrol Pump, 132ft Ring road, Satellite, Ahmedabad-15
6	Whether listed company	YES
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	CAMEO CORPORATE SERVICES LIMITED & "Subramanian Building" No.1 Club House Road Chennai Tn 600002 In & Phone No. 044 - 2846 0390, E-mail : cameo@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Machining; Coating of Metals	25920	100%
2.			
3.			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1.	N.A.	N.A.	N.A.	N.A.	N.A.
2.					
3.					

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

I Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3,482,972	36,400	3,519,372	50.28%	3,565,869	36,400	3,602,269	51.46%	2.36%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.		15,500	15,500	0.22%		15,500	15,500	0.22%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (1)	3,482,972	51,900	3,534,872	50.50%	3,565,869	51,900	3,617,769	51.68%	2.35%
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	3,482,972	51,900	3,534,872	50.50%	3,565,869	51,900	3,617,769	51.68%	2.35%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI			-	0.00%			-	0.00%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
I Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
I Indian	36330	29600	65,930	0.94%	30533	29600	60,133	0.86%	-8.79%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
I Individual shareholders holding nominal share capital upto Rs. 1 lakh	1177298	411600	1,588,898	22.70%	1127892	407400	1,535,292	21.93%	-3.37%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1616743	0	1,616,743	23.10%	1591598	0	1,591,598	22.74%	-1.56%
c) Others (specify)									
Non Resident Indians			-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals	41,927	100	42,027	0.60%	41006	100	41,106	0.59%	-2.19%

I Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Members	500	-	500	0.01%	0	0	-	0.00%	-100.00%
Trusts ./ huf	86,330	-	86,330	1.23%	89402	0	89,402	1.28%	3.56%
Others									
(Retirement B Scheme)		64,700	64,700	0.92%		64700	64,700	0.92%	0.00%
Sub-total (B)(2):-	2,959,128	506,000	3,465,128	49.50%	2,880,431	501,800	3,382,231	48.32%	-2.39%
Total Public (B)	2,959,128	506,000	3,465,128	49.50%	2,880,431	501,800	3,382,231	48.32%	-2.39%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	**6,442,100**	**557,900**	**7,000,000**	**100.00%**	**6,446,300**	**553,700**	**7,000,000**	**100.00%**	**-0.05%**

(ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	KUNAL NANDLAL AGRAWAL	1,026,000	14.66%	-	1,026,000	14.66%	-	0.00%
2	NANDLAL JAIGOPAL AGRAWAL	1,475,005	21.07%	-	1,474,895	21.07%	-	0.00%
3	NEHA NANDLAL AGRAWAL	343,567	4.91%	-	426,574	6.09%	-	1.19%
4	SHASHIBEN GORDHANDAS GUPTA	646,700	9.24%	-	646,700	9.24%	-	0.00%
5	SURYANAGRI FIN LEASE LTD	15,500	0.22%	-	15,500	0.22%	-	0.00%
6	CHIMANLAL J AGRAWAL	11,300	0.16%	-	11,300	0.16%	-	0.00%
7	SANJAY C AGRAWAL	9,300	0.13%	-	9,300	0.13%	-	0.00%
8	SHILPA C AGRAWAL	3,200	0.05%	-	3,200	0.05%	-	0.00%
9	PAYAL C AGRAWAL	2,400	0.03%	-	2,400	0.03%	-	0.00%
10	SATYAWATI AGRAWAL	1,900	0.03%	-	1,900	0.03%	-	0.00%

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

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares
1	**KUNAL NANDLAL AGRAWAL**						
	At the beginning of the year 01-04-2019		No Change	1,026,000	14.66%		0.00%
	At the end of the year 31-03-2020			1,026,000	14.66%	1,026,000	14.66%
2	**NANDLAL J AGRAWAL**						
	At the beginning of the year 01-04-2019			1,475,005	21.07%		
		5/10/2019	sale	(200)	0.00%	1,474,805	
		7/12/2019	Purchase	90	0.00%	1,474,895	
	At the end of the year 31-03-2020			1,474,895		1,474,895	
3	**NEHA NANDLAL AGRAWAL**						
	At the beginning of the year 01-04-2019			343,567	4.91%		0.00%
			Purchase	1,000	0.01%		
			Purchase	1,510	0.02%		
			Purchase	3,000	0.04%		
			Purchase	1,537	0.02%		

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

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares
			Purchase	600	0.01%		
			Purchase	755	0.01%		
			Purchase	6,610	0.09%		
			Purchase	5,098	0.07%		
			Purchase	11,754	0.17%		
			Purchase	51,143	0.73%		
	At the end of the year 31-03-2020			83,007	1.19%	426,574	6.09%
4	**SHASHIBEN GORDHANDAS GUPTA**						
	At the beginning of the year 01-04-2019		No Change	646,700	9.24%		0.00%
	At the end of the year 31-03-2020			646,700	9.24%	646,700	9.24%
5	**SURYANAGRI FIN LEASE LTD**						
	At the beginning of the year 01-04-2019		No Change	15,500	0.22%		0.00%
	At the end of the year 31-03-2020			15,500	0.22%	15,500	0.22%
6	**CHIMANLAL J AGRAWAL**						
	At the beginning of the year 01-04-2019		No Change	11,300	0.16%		0.00%
	At the end of the year 31-03-2020			11,300	0.16%	11,300	0.16%
7	**SANJAY C AGRAWAL**						
	At the beginning of the year 01-04-2019		No Change	9,300	0.13%		0.00%
	At the end of the year 31-03-2020			9,300	0.13%	9,300	0.13%
8	**SHILPA C AGRAWAL**						
	At the beginning of the year 01-04-2019		No Change	3,200	0.05%		0.00%
	At the end of the year 31-03-2020			3,200	0.05%	3,200	0.05%
9	**PAYAL C AGRAWAL**						
	At the beginning of the year 01-04-2019		No Change	2,400	0.03%		0.00%
	At the end of the year 31-03-2020			2,400	0.03%	2,400	0.03%
10	**SATYAWATI AGRAWAL**						
	At the beginning of the year 01-04-2019		No Change	1,900	0.03%		0.00%
	At the end of the year 31-03-2020			1,900	0.03%	1,900	0.03%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the Top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares
1	**DWARAKA VITHAL NAIK**						
	At the beginning of the year			448,715	6.41%	448,715	6.41%
	Changes during the year	No Charge		-	-	-	-
	At the end of the year			448,715	6.41%	448,715	6.41%
2	**SUBRAMANIAN P**						
	At the beginning of the year			335,380	4.79%	335,380	4.79%
	Changes during the year- Sale	11/8/2019	Transfer	(335,380)	4.79%	-	
	At the end of the year			-	0.00%	-	0.00%
3	**MINESH C SHAH**						
	At the beginning of the year			330,000	4.71%	330,000	4.71%
	Changes during the year	No Change		-	0.00%	-	0.00%
	At the end of the year			330,000	4.71%	330,000	4.71%
4	**NILESH ANANT NAIK**						

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the Top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares
	At the beginning of the year			105,312	1.50%	105,312	1.50%
	Changes during the year - Sale	No Change		-	0.00%	-	0.00%
	At the end of the year			105,312	1.50%	105,312	1.50%
5	**"DIPAK KANAYALAL SHAH JT1 : MITA DIPAK SHAH JT2 : SHARAD KANAYALAL SHAH"**						
	At the beginning of the year			83,838	1.20%	83,838	1.20%
	Changes during the year - Purchase	7/12/2019	Transfer	1,162	0.02%	85,000	1.21%
	Purchase	8/23/2019	Transfer	2,101	0.03%	87,101	1.24%
	Purchase	9/6/2019	Transfer	99	0.00%	87,200	1.25%
	Purchase	11/1/2019	Transfer	1,005	0.00%	88,205	1.26%
	Purchase	12/27/2019	Transfer	600	0.00%	88,805	1.27%
	At the end of the year			88,805	1.27%	88,805	1.27%
6	**GAURAV SANDEEP KAPOOR**						
	At the beginning of the year			74,045	1.06%	74,045	1.06%
	Changes during the year - Purchase	No Change		-	0.00%		0.00%
	At the end of the year			74,045	1.06%	74,045	1.06%
7	**"HITESH RAMJI JAVERI JT1 : RADHABAI RAMJI JAVERI JT2 : HARSHA HITESH JAVERI"**						
	At the beginning of the year			66,596	0.95%	66,596	0.95%
	Changes during the year	No Change		-	0.00%	-	0.00%
	At the end of the year			66,596	0.95%	66,596	0.95%
8	**SURAYANAGRI FIN LEASE LTD**						
	At the beginning of the year			64,700	0.92%	64,700	0.92%
	Changes during the year	No Change		-	0.00%	-	0.00%
	At the end of the year			64,700	0.92%	64,700	0.92%
9	**"BHAGYESH BHARATKUMAR SHAH JT1:BHARATKUMAR KANTILAL SHAH"**						
	At the beginning of the year			59,823	0.85%	59,823	0.85%
	Changes during the year- Sale	3/20/2020	Transfer	(500)	-0.01%	59,323	0.85%
	Sale	3/27/2020	Transfer	(59,323)	-0.85%	-	
	At the end of the year			-	0.00%	-	0.00%
10	**SANGEETHA S**						
	At the beginning of the year			27,700	0.40%	27,700	0.40%
	Changes during the year- Purchase	11/8/2019	Transfer	335,380	4.79%	363,080	5.19%
	At the end of the year			363,080	5.19%	363,080	5.19%
11	**MAHENDRA GIRDHARILAL**						
	At the beginning of the year			13,100	0.19%	13,100	0.19%
	Changes during the year- Purchase	9/6/2019	Transfer	2,000	0.03%	15,100	0.22%
	Purchase	9/13/2019	Transfer	399	0.01%	15,499	
	Purchase	9/27/2019	Transfer	2,500	0.04%	17,999	
	Purchase	9/30/2019	Transfer	442	0.01%	18,441	
	Purchase	10/4/2019	Transfer	2,404	0.03%	20,845	
	Purchase	10/11/2019	Transfer	99	0.00%	20,944	
	Purchase	10/28/2019	Transfer	176	0.00%	21,120	
	Purchase	10/25/2019	Transfer	1,000	0.01%	22,120	
	Purchase	11/22/2019	Transfer	100	0.00%	22,220	
	Purchase	12/6/2019	Transfer	56	0.00%	22,276	
	Purchase	12/13/2019	Transfer	801	0.01%	23,077	
	Purchase	12/27/2019	Transfer	200	0.00%	23,277	
	Purchase	1/3/2020	Transfer	1,100	0.02%	24,377	
	Purchase	1/10/2020	Transfer	2,378	0.03%	26,755	
	Purchase	1/17/2020	Transfer	51	0.00%	26,806	
	Purchase	1/31/2020	Transfer	1,000	0.01%	27,806	
	Purchase	2/7/2020	Transfer	750	0.01%	28,556	
	At the end of the year			28,556	0.00%	28,556	0.41%

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares	No. of Shares	% of total Shares
1	**NANDLAL J AGRAWAL**						
	At the beginning of the year						
	01-04-2019			1,475,005	21.07%	1,475,005	
		5/10/2019	sale	(200)	0.00%	1,474,805	
		7/12/2019	Purchase	90	0.00%	1,474,895	
	At the end of the year 31-03-2020			1,474,895		1,475,005	
2	**Name: Kunal N Agrawal**						
	At the beginning of the year						
	01-04-2019			1,026,000	14.66%	1,026,000	14.66%
	Changes during the year	No Change		-	0.00%	-	0.00%
	At the end of the year 31-03-2020			1,026,000	14.66%	1,026,000	14.66%
3	**Name: Minesh C Shah**						
	At the beginning of the year						
	01-04-2019			330,000	4.71%	300,000	4.29%
	Changes during the year	No Change		-	0.00%	-	0.00%
	At the end of the year 31-03-2020			330,000	4.71%	300,000	4.29%

(v) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment. ***(Amt.Rs.)***

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	47,980,576.00	1,600,000.00		49,580,576.00
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	**47,980,576.00**	**1,600,000.00**	**-**	**49,580,576.00**
Change in Indebtedness during the financial year				
* Addition	488,115,090.00	38,825,141.00	-	526,940,231.00
* Reduction	487,111,149.00	40,399,141.00		527,510,290.00
Net Change	1,003,941.00	(1,574,000.00)	-	(570,059.00)
Indebtedness at the end of the financial year				
i) Principal Amount	48,984,517.00	26,000.00		49,010,517.00
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	**48,984,517.00**	**26,000.00**	**-**	**49,010,517.00**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration Name Designation	Name of MD/WTD/ Manager			Total Amount
		Nandlal J Agrawal MD	Kunal N Agrawal WTD	Minesh C Shah WTD	(Rs. / Lac)
1	**Gross salary**	**18,00,000**	**12,00,000**	**11,70,000**	**41,70,000**
	(a) Salary as per provisions contained in section 17				
	(1) of the Income-tax Act, 1961				-
	(b) Value of perquisites u/s 17				
	(2) Income-tax Act, 1961				-
	(c) Profits in lieu of salary under section 17				
	(3) Income- tax Act, 1961				-
2	**Stock Option**				**-**
3	**Sweat Equity**				**-**
4	**Commission**				**-**
	- as % of profit				-
	- others, specify				-
5	**Others, please specify**				**-**
	Total (A)	**18,00,000**	**12,00,000**	**11,70,000**	**41,70,000**
	Ceiling as per the Act				

B. Remuneration to Other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
					(Rs. / Lac)
1	Independent Directors				
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (1)	**-**	**-**	**-**	**-**
2	Other Non-Executive Directors				-
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (2)	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**-**	**-**	**-**	**-**
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

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

SN.	Particulars of Remuneration Name of Directors	Name of Key Managerial Personnel			Total Amount
		CEO	CFO	CS	(Rs. / Lac)
1	**Gross salary**	**0**	**3,91,472**	**6,50,000**	**10,41,472**
	(a) Salary as per provisions contained in section 17				
	(1) of the Income-tax Act, 1961				-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				-
	(c) Profits in lieu of salary under section 17				
	(3) Income- tax Act, 1961				-
2	**Stock Option**				**-**
3	**Sweat Equity**				**-**
	Commission				

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

SN.	Particulars of Remuneration Name of Directors	Name of Key Managerial Personnel			Total Amount
		CEO	CFO	CS	(Rs. / Lac)
4	- as % of profit				-
	- others, specify				-
5	Others, please specify				-
	Total	-	3,91,472	6,50,000	10,41,472

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

"Annexure C"

MR-3

Secretarial Audit Report

(For the Financial Year Ended on March 31, 2020)
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

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 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, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2020 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, 2009;

(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, 1998.

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

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

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 pursuant to Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;

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.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive 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.

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

Place: Ahmedabad
Date: 14/08/2020
UDIN: A038703B000588505

Gaurang Radheshyam Shah
ACS No.: 38703
C.P. No.: 14446

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

"Annexure A"

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, CSR 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.

Place: Ahmedabad
Date: 14/08/2020
UDIN: A038703B000588505

Gaurang Radheshyam Shah
ACS No.: 38703
C.P. No.: 14446

"Annexure B"

To,
The Members,
LIPPI SYSTEMS LIMITED
3rd Floor, Satya Complex,
Nr. Ashwamegh IV, 132 Ft Ring Road,
Satellite Road, Ahmedabad 380 015

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

MANAGEMENT'S RESPONSIBILITY

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on my audit.

Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

DISCLAIMER

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.

Place: Ahmedabad
Date: 14/08/2020
UDIN: A038703B000588505

Gaurang Radheshyam Shah
ACS No.: 38703
C.P. No.: 14446

"Annexure D"

PARTICULARS OF EMPLOYEES

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1), 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Directors / KMPs and Designation	Remuneration for F.Y. 2019-20	% increase / (decrease) in Remuneration in the F.Y. 2019-20	Ratio of remuneration of each Director/ KMP to median remuneration of employees
1	**Nandlal J. Agrawal** Managing Director	18.00	400.00%	608.11
2	**Kunal N. Agrawal** Whole Time Director	12.00	100.00%	405.41
3	**Minesh C. Shah** Whole Time Director	11.70	0.09%	395.27
4	**Gopalkrishna Sharma** Chief Financial Officer	3.91	1.82%	132.09
5	**Darshan B. Shah** Company Secretary	6.50	0.78%	219.59

2	Increase in the median remuneration of employees	6.45%
3	No. of permanent employees on the rolls of Company as on March 31, 2020	91
4	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 6.45% whereas there is increase in the managerial remuneration for the same financial year was 95.78% The Salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks
5	Affirmation that the remuneration is as per the Remuneration Policy of the Company	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees

Note - 1 : Sub-clause (v), (vi), (vii), (ix), (x) and (xi) of Rule 5(1): Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 dated 30th June, 2016

Note - 2 : Rules 5(2) and 5(3): The information required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report. Having regard to the provisions of Section 134 and Section 136 of the Companies Act, 2013, the Reports and Accounts are being sent to the Members excluding such information. However, the said information is available for inspection by the Members at the registered office of the Company during its working hours up to the date of ensuing Annual General Meeting. Further, any Member interested in obtaining such information may obtain it by writing to the Company Secretary at cs@lippisystems.com.

Place: Ahmedabad
Date: 14 / 08 / 2020

For and on Behalf Of Board Of Directors

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

"Annexure E"

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 seven meetings of the Board were held. The Board of directors was met on 04/05/2019, 30/05/2019, 13/08/2019, 14/08/2019, 14/11/2019, 31/12/2019 and 14/02/2020.

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	7	Yes	None
2	Shri Minesh Shah (DIN: 00045178)	Executive	7	Yes	None
3	Shri Kunal Agrawal (DIN: 00169324)	Executive	7	Yes	None
4	Shri Tirthraj Pandya (DIN: 02972285)	Independent	7	Yes	Member in One Committee& Chairman in one Committee
5	Shri Kamlesh Sharma (DIN: 01563040)	Independent	7	Yes	Chairman in one Committee
6	Ms Swetal Sapra (DIN: 07155395)	Woman -Independent	4	Yes	Member in three Committee
7	Shri. Govind C. Thakkar (DIN: 07531165)	Independent	7	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 Clause 49 of the Listing Agreement, 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 January 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, 2020 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 31stMarch, 2020. 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. Jesalben Shah (DIN: 07155395) up to 14.08.2019, Ms. Swetal Sapra (DIN: 08536677) from 14.08.2019, 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 30.05.2019, 14.08.2019, 14.11.2019 and 14.02.2020.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. Jesalben Shah (DIN: 07155395) up to 14.08.2019, Ms. Swetal Sapra (DIN: 08536677) from 14.08.2019, 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 04.05.2019.

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 PERSONNELAND SENIORMANAGEMENT

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 five 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 beeligible 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. Jesalben Shah (DIN: 07155395) up to 14.08.2019, Ms. Swetal Sapra (DIN: 08536677) from 14.08.2019 and Mr. Govind 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 01.04.2019 to 31.03.2020	0
Number of Complaints not solved to the satisfaction of the shareholder	0
Number of Pending Complaints on 31.03.2020	0

DETAILS OF REMUNERATION TO DIRECTORS DURING THE YEAR ENDING ON 31ST MARCH, 2020:

Remuneration paid during the Financial Year 2019-20 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 Friday 29th September, 2017, on Saturday 29th September, 2018 and on Monday 30th September, 2019 for the year 2016-2017, 2017-2018 and 2018-2019 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 news papers. 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 Tuesday, the 27th day of October, 2020 at 11:30 a.m. IST through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").

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, 2020 will be held by end of September, 2020.

Dates of Book Closure:

The Register of Members and Share Transfer Books of the company will remain closed from Tuesday, the 20th October, 2020 to Tuesday, the 27th October, 2020 (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, 2020.

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, 2020, all except 553700 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, 2020 is as follows:

PARTICULERS	NO. OF SHARE HOLDERS	NO. OF SHARES	PERCENT OF EQ.
NSDL	1545	5685060	81.22
CDSL	765	761240	10.87
PHYSICAL	2281	553700	7.91
TOTAL	**4591**	**7000000**	**100.00**

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

Share holding pattern and Distribution of Shareholdings as on 31st March, 2020.
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	75633	1.08
5.Clering Members	Nil	Nil
6.Non-Resident Indians	41106	0.59
7.Indian Public	3216292	45.95
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	3982	86.73	673939	9.63
501-1000	312	6.80	273216	3.90
1001-2000	141	3.07	218649	3.12
2001-3000	54	1.18	138057	1.97
3001-4000	23	0.50	81561	1.17
4001-5000	27	0.59	127515	1.82
5001-10000	27	0.59	177690	2.54
10001 and Above	25	0.54	5309373	75.85
TOTAL	**4591**	**100.00**	**7000000**	**100.00**

Market price data for the financial year 2019-20:

(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, 2019	12.90	11.40	39487.45	38460.25
May, 2019	12.50	8.66	40124.96	36956.10
June, 2019	9.52	8.00	40312.07	38870.96
July, 2019	10.48	8.20	40032.41	37128.26
August, 2019	9.95	7.42	37807.55	36102.35
September, 2019	9.65	8.08	39441.12	35987.80
October, 2019	9.82	7.65	40392.22	37415.83
November, 2019	8.09	6.61	41163.79	40014.23
December, 2019	11.57	6.60	41809.96	40135.37
January, 2020	10.45	7.71	42273.87	40476.55
February, 2020	8.49	8.09	41709.30	38219.97
March, 2020	11.90	8.30	39083.17	25638.90

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 / 2020

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, 2020 and its segment wise comparison with previous Financial Year is given below:

(Rupees in Crore)

Type of Segment	2019-20	2018-19
Manufacturing of engravioures & Coating of Metals	13.92	15.95
Power Generation Windfarm	1.23	0.79
Total Turnover	**15.15**	**16.74**

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, 2020 was Rs.13.92 crores as against the previous year's sales of Rs. 15.95 crores. The profit after taxation for the year under review was Rs.15.64 lacs as compared to Rs. 79.64 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 31.03.2020 was 91. 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.

DECLARATION 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 : 27 / 07 / 2020

Nandlal J. Agrawal
MD & Chairman

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, 2020 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: 27/07/2020
PLACE: AHMEDABAD

NANDLAL J. AGRAWAL
(MANAGING DIRECTOR)

GOPAL SHARMA
(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, 2020, 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, 2020, its profit (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.

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, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls 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, 2020 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 : 20119398AAAAGS6044

Place: Ahmedabad
Date: 27/07/2020

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, 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, 2020 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 : 20119398AAAAGS6044

Place: Ahmedabad
Date: 27/07/2020

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, 2020, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(CA Vinit Moondra)
Partner
M.No. 119398

Place: Ahmedabad
Date: 27/07/2020

BALANCE SHEET AS AT MARCH 31, 2020

Amt in Rs.

Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	148,792,839	152,986,276
(b) Intangible assets	4	614,324	382,942
(c) Financial Assets			
(i) Investments	5	2,712,196	2,535,000
(d) Other non-current assets	6	103,626,257	114,701,934
Total Non-current assets		**255,745,616**	**270,606,152**
Current assets			
(a) Inventories	7	18,533,322	17,406,392
(b) Financial Assets			
(i) Trade receivables	8	57,901,913	57,506,950
(ii) Cash and cash equivalents	9	225,463	392,536
(iii) Bank balances other than (ii) above	10	1,760,635	772,498
(c) Other current assets	11	5,527,723	5,222,364
Total Current assets		**83,949,056**	**81,300,740**
TOTAL ASSETS		**339,694,672**	**351,906,892**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	12	70,000,000	70,000,000
(b) Other Equity	13	170,453,248	168,889,407
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	9,007,857	14,149,431
(b) Provisions	15	7,375,407	6,283,272
(c) Deferred tax liabilities (Net)	16	17,041,844	18,008,382
(d) Other non-current liabilities	17	-	4,563,936
Total Non-current liabilities		**33,425,108**	**43,005,021**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	49,010,516	49,580,575
(ii) Trade payables	19		
- Due to Micro & Small Enterprises		435,294	4,641,012
- Due to Others		5,775,910	6,213,797

BALANCE SHEET AS AT MARCH 31, 2020

Amt in Rs.

Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019
(b) Other current liabilities	20	9,095,156	8,263,126
(c) Provisions	21	1,499,440	1,313,954
Total Current liabilities		**65,816,316**	**70,012,464**
TOTAL EQUITY AND LIABILITIES		**339,694,672**	**351,906,892**

Significant Accounting Policies
Notes on Financial Statements 1 to 38

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 : July 27 2020

Gopal D. Sharma
(CFO)

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

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

Amt in Rs.

Particulars	Notes	2019-20	2018-19
I INCOME			
Revenue from operations	22	139,160,522	159,471,553
Other income	23	12,953,552	10,568,220
Total Income		**152,114,074**	**170,039,773**
II EXPENSES			
Cost of materials consumed	24	38,213,563	47,167,869
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	25	(21,122)	12,569
Employee benefits expense	26	29,926,459	27,857,363
Finance costs	27	9,390,026	10,462,014
Depreciation and amortization expense	28	13,984,532	14,859,697
Other expenses	29	58,399,586	60,905,290
Total Expenses		**149,893,044**	**161,264,802**
III Profit/(loss) before exceptional items & tax		**2,221,030**	**8,774,971**
IV Exceptional Items		**-**	**-**
V Profit/(loss) before tax (5-6)		**2,221,030**	**8,774,971**
VI Tax Expenses			
Current Tax		1,368,245	2,140,960
MAT Credit Entitlement		-	-
Excess Tax Provision		(7,488)	
Deferred Tax Provision / (Reversal)	16	(966,538)	(1,630,322)
		394,219	**510,638**
VII Profit (Loss) for the year		**1,826,811**	**8,264,333**
VIII Other Comprehensive Income			
Items that will not be reclassified to profit or loss		(262,970)	(300,575)
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		**1,563,841**	**7,963,758**
X Earnings per Share	**31**		
Basic and Diluted (Face Value of Rs. 10 each fully paid up)		0.26	1.18

Significant Accounting Policies
Notes on Financial Statements 1 to 38

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 : July 27, 2020

Gopal D. Sharma
(CFO)

Darshan B. Shah
(Company Secretary)

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

a. Equity Share Capital

Amt in Rs.

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Nos.	Rs.	Nos.	Rs.
Equity shares of Rs. 10 each				
Fully paid up	7,000,000	7,000,000	7,000,000	7,000,000
Add : amount received on forfeited shares	-	-	-	-
	7,000,000	**7,000,000**	**7,000,000**	**7,000,000**

b. Other Equity

Amt in Rs.

Particulars	Reserves and Surplus				Total
	Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings	
Balance at 1st April, 2018	**64,000,000**	**1,500,000**	**-**	**95,425,649**	**160,925,649**
Profit for the year	-	-	-	8,264,333	8,264,333
Total Comprehensive Income for the year		-	-	(300,575)	(300,575)
Balance at 31st March, 2019	**64,000,000**	**1,500,000**	**-**	**103,389,407**	**168,889,407**
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**

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 : July 27, 2020

Gopal D. Sharma
(CFO)

Darshan B. Shah
(Company Secretary)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Amt in Rs.

Particulars	For the year ended		For the year ended	
	31.03.2020	**31.03.2020**	**31.03.2019**	**31.03.2019**
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		2,221,030		8,774,971
Non-cash adjustment to reconcile profit before tax to net cash flows				
Other Comprehensive Income	(262,970)		(300,575)	
Depreciation/ amortisation on continuing operation	13,984,532		14,859,697	
MTM Gain on Non-current investment	(177,195)		-	
Windmill Income	(6,250,000)			
Interest income			(546,405)	
Finance Cost	9,390,026		10,462,014	
Sundry balances written off			779	
Loss on sale of Fixed Assets	28,080		3,864	
Profit on sale of Fixed Assets	-		(1,971,831)	
MAT Credit written off	218,643			
		16,712,472		22,507,543
Operating profit / (loss) before working capital changes		18,933,502		31,282,514
Movements in working capital:				
Decrease/ (increase) in inventories	(1,126,930)		3,706,650	
Decrease/ (increase) in trade receivables	(394,963)		2,268,323	
Decrease/ (increase) in other current assets	671,323		1,936,641	
Increase/ (decrease) in other current liabilities	832,029		(12,332,998)	
Increase/ (decrease) in trade payables	(4,643,605)		(10,980,320)	
Increase/ (decrease) in long-term provisions	1,092,135		952,919	
Increase/ (decrease) in short-term provisions	469,870		(1,050,327)	
		(3,100,141)		(15,499,112)
Cash generated from /(used in) operations		15833361		15,783,402
Direct taxes paid (net of refunds)		(1,563,184)		(3,542,777)
Net cash flow from / (used in) operating activities (A)		**14,270,177**		**12,240,625**
B. Cash flow from investing activities				
Interest received	-		546,405	
Movement in Long-term loans & advances	9,798,395		(30,000)	
Change in Value of Investments			-	
Sale of Non Current Investments			-	
Decrease / (Increase) in Bank deposits	(988,137)		12,713,727	
Purchase of Fixed Assets	(10,690,752)		(2,079,895)	
Sale of Fixed Assets	640,195		4,105,548	
Net cash flow from / (used in) investing activities (B)		**(1,240,299)**		**15,255,785**
C. Cash flow from financing activities				
Fianance cost	(7,703,962)		(9,892,410)	

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Amt in Rs.

Particulars	For the year ended		For the year ended	
	31.03.2020	**31.03.2020**	**31.03.2019**	**31.03.2019**
Proceeds / (Repayment) of Long Term Borrowings	(5,141,573)		(25,615,907)	
Proceeds / (Repayment) of Other Long Term Liabilities			-	
Proceeds from Short Term Borrowings	(570,059)		7,942,628	
Net cash flow from / (used in) financing activities ©		**(13,415,595)**		**(27,565,689)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**(385,717)**		**(69,279)**
Cash and cash equivalents at the beginning of the year		392,536		461,815
Cash and cash equivalents at the end of the year		**6,819**		**392,536**
Reconciliation of Cash and Bank Balances with the Balance Sheet				
Cash and Bank Balances as per Balance Sheet (refer note 9 & 10)		1,986,098		1,165,034
Less: Bank Balances not considered as Cash and Cash Equivalents		(1,760,635)		(772,498)
Cash and Cash Equivalents as at the end of the year		**225,463**		**392,536**
Components of cash and cash equivalents				
Cash on Hand		221,220		196,542
Balance with banks in current accounts		4,243		195,994
Total Cash and cash equivalents		**225,463**		**392,536**

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 : July 27, 2020

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 cash flows 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 12months 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 cashoutflows 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 effected 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,2020

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, 2018	2,532,999	41,379,230	205,536,576	9,033,684	6,852,188	15,067,048	10,592,045	4,233,124	4,090,237	97,973,766	397,290,897
Additions	-	-	1,177,740	-	-	71,381	-	110,974	311,800	-	1,671,895
Disposals	-	-	-	-	-	9,375,592	-	-	-	-	9,375,592
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 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
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
Accumulated Depreciation											
Balance as at 1st April, 2018	-	14,777,318	155,493,478	7,833	5,436,953	9,275,250	8,221,279	3,416,188	3,259,170	29,314,563	229,202,032
Deduction & Adjustment	-	-	-	-	-	7,238,011	-	-	-	-	7,238,011
Depreciation for the period	-	1,542,365	4,046,852	571,832	144,417	1,476,191	405,344	263,221	359,342	5,827,339	14,636,903
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 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
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
Depreciation 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 March, 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
Net carrying amount											
Balance as at 31st March, 2019	2,532,999	25,059,547	47,173,986	8,454,019	1,270,818	2,249,407	1,965,422	664,689	783,525	62,831,864	152,986,276
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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2020

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

Particulars	Computer & Software
Gross Amount	
Balance as at 31st March, 2018	**27,305,510**
Additions	408,000
Disposals	-
Reclassification as held for sale	-
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**
Accumulated Depreciation	
Balance as at 31st March, 2018	**27,107,774**
Deduction & Adjustment	-
Depreciation for the period	222,794
Reclassification as held for sale	-
Balance as at 31st March, 2019	**27,330,568**
Deduction & Adjustment	-
Depreciation for the period	164,618
Reclassification as held for sale	-
Balance as at 31st March, 2020	**27,495,186**
Net carrying amount	
Balance as at 31st March, 2019	382,942
Balance as at 31st March, 2020	614,324

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2020

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

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Investments in Unquoted Shares of Bank & Other Cos.		
2,50,000 (2,50,000) Equity Shares of Suryanagri Securities & Investment Ltd. @ Rs. 10 each fully paid up	2,712,196	2,535,000
Total	**2,712,196**	**2,535,000**

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

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Advance Against Capital Goods (unsecured, considered good)	457,625	457,625
Capital Advances	91,300,000	101,000,000
Advances other than capital advances		
Security Deposit	2,064,095	2,162,490
MAT Credit Entitlement (refer note 6.1)	9,804,537	11,081,819
Total	**103,626,257**	**114,701,934**

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 31/03/2020	Balance as at 31/03/2019
Raw materials	14,866,819	12,254,182
Finished goods	58,422	37,300
Stores, chemicals and packing materials	3,608,081	5,114,910
Total	**18,533,322**	**17,406,392**

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

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Unsecured, considered good	57,901,913	57,506,950
Doubtful	-	-
Total	**57,901,913**	**57,506,950**

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

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Balances with banks	4,243	195,994
Cash on hand	221,220	196,542
Total	**225,463**	**392,536**

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

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Fixed Deposits with Banks (lodged against buyers credit and letter of credit)	1,760,635	772,498
Total	**1,760,635**	**772,498**

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

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Other advances		
Staff advance	3,042,755	3,335,616
Prepaid expenses	128,662	267,701
Advances recoverable in cash or in kind	1,131,296	1,370,719
Balance with Income Tax Authorities	1,225,010	248,328
Total	**5,527,723**	**5,222,364**

12. Share capital

Amt in Rs.

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	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 31/03/2020	As at 31/03/2019
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, 2020		As at 31st March, 2019	
	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%	1,475,005	21.07%
Ms. Neha Nandlal Agarwal	426,574	6.09%	343,567	4.91%
Mr. Dhwarka Vithal Naik	448,715	6.41%	448,715	6.41%
Ms. Sangeetha S	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 31/03/2020	As at 31/03/2019
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	103,389,407	95,425,649
Add: Profit after tax for the Year	1,563,841	7,963,758
Restatement effect due to Ind AS		-
Amount available for Approriation	**104,953,248**	**103,389,407**
Less: Appropriations	-	-
Balance at the end of the Year	104,953,248	103,389,407
TOTAL	**170,453,248**	**168,889,407**

14. Borrowings (Non Current)

Amt in Rs.

Non-current interest-bearing loans and borrowings	Balance as at 31/03/2020	Balance as at 31/03/2019
(A) Term loans		
i. From Banks		
Secured	9,007,857	14,149,431
ii. From other parties		
Unsecured	-	-
Total	**9,007,857**	**14,149,431**

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 71.23. Accordingly even the repayments are now scheduled to be made in USD.

ii. Outstanding Term loan of USD 2,02,338 i.e. equivalent to Rs. 144.13 Lakhs (including an amount of Rs. 54.05 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 6,323.07 and is expected to be repaid by October, 2023.

iii. The company has availed working capital loans of USD 3,25,151 (USD 3,17,437.92 outstanding as on 31/03/2020) 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 + 2.50%. The said loans are secured against hypothecation of entire current assets of the company.

iv. "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, 2020 for any loans under this head.

15. Provisions (Non Current)

Amt in Rs.

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Provision for Gratuity	7,375,407	6,283,272
Total	**7,375,407**	**6,283,272**

16. Deferred Tax Liabilities (Net)

Amt in Rs.

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Liability Relating to earlier years	18,008,382	19,638,704
Add/(Less): Charge/(Credit) to Statement of Profit & Loss	(966,538)	(1,630,322)
Net Total	**17,041,844**	**18,008,382**

16.1 Component of Deferred Tax Liabilities (Net)

Amt in Rs.

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Deferred Tax Liabilities		
On Account of Depreciation	19,293,907	19,908,903
On Account of MTM	46,071	(9,100)
Total (A)	**19,339,978**	**19,899,803**
Deferred Tax Assets		
Disallowance U/S.43B(Gratuity Provision)	2,298,134	1,891,421
Total (B)	**2,298,134**	**1,891,421**
Deferred Tax Liabilities (Net) (A-B)	**17,041,844**	**18,008,382**

17. Other non-current liabilities

Amt in Rs.

Current interest-bearing loans and borrowings	Balance as at 31/03/2020	Balance as at 31/03/2019
Long term deposits	-	4,563,936
Total	**-**	**4,563,936**

18. Borrowings (Current)

Amt in Rs.

Current interest-bearing loans and borrowings	Balance as at 31/03/2020	Balance as at 31/03/2019
Working Capital Loans		
From banks		
Secured	48,984,516	47,980,575
Loans from Directors		
Unsecured	26,000	1,600,000
Total	**49,010,516**	**49,580,575**

"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, 2020 for any borrowings under this head."

19. Trade Payables (Current)

Amt in Rs.

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Unsecured		
Total outstanding dues of micro enterprises and small enterprises	435,294	4,641,012
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,775,910	6,213,797
Total	**6,211,204**	**10,854,809**

19.1. Details as required under MSMED Act are given below :

Amt in Rs.

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Principal amount remaining unpaid to any supplier as at the end of accounting year	435,294	4,641,012
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.

20. Other Current liabilities

Amt in Rs.

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Current maturities of long-term debt	5,404,707	5,248,500
Creditors for capital expenditure	-	85,545
Statutory Dues	1,173,635	1,160,020
Other payables (refer note no. 20.1)	2,516,814	1,769,061
Total	**9,095,156**	**8,263,126**

20.1 Other Payables include advance received from customers.

21. Provisions (Current)

Amt in Rs.

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Provisions for Employee Benefits		
Provision for salary & reimbursements	35,869	38,146
Provision for gratuity	1,463,571	991,424
Others		
Provision for income tax	-	284,384
Total	**1,499,440**	**1,313,954**

22. Revenue from operations

Amt in Rs.

Particulars	2019-20	2018-19
Sale of Products	139,160,522	159,471,553
TOTAL	**139,160,522**	**159,471,553**

22.1. Sale of Products

Amt in Rs.

Particulars	2019-20	2018-19
Sales	97,027,013	106,267,667
Re Engraving Receipt	40,157,800	52,341,749
Export Sales	1,975,709	862,137
TOTAL	**139,160,522**	**159,471,553**

23. Other income

Amt in Rs.

Particulars	2019-20	2018-19
Interest Income	195,319	546,405
Income from Windmill	12,275,529	7,910,230
Other Non-Operating Income	482,704	2,111,585
Total	**12,953,552**	**10,568,220**

24. Cost of materials consumed

Amt in Rs.

Particulars	2019-20	2018-19
Opening Stock	12,254,182	16,425,511
Add : Purchases	40,826,200	42,996,540
Sub Total	**53,080,382**	**59,422,051**
Less : Closing Stock	14,866,819	12,254,182
Total	**38,213,563**	**47,167,869**

24.1. Analysis of Raw Materials Consumed

Amt in Rs.

Particulars	2019-20		2018-19	
	Amount Rs.	% of Total Consumption	Amount Rs.	% of Total Consumption
Imported	337,536	0.88%	9,284,805	19.68%
Indigeneous	37,876,027	99.12%	37,883,064	80.32%
Total	**38,213,563**	**100.00%**	**47,167,869**	**100.00%**

25. Changes in Inventories of Finished goods and Waste

Amt in Rs.

Particulars	2019-20	2018-19
Closing Stock		
Finished goods / stock-in-trade	58,422	37,300
Total	**58,422**	**37,300**
Opening Stock		
Finished goods / stock-in-trade	37,300	49,869
Total	**37,300**	**49,869**
Total (Increase) / Decrease In Stock	**(21,122)**	**12,569**

26. Employee benefit expense

Amt in Rs.

Particulars	2019-20	2018-19
Salaries and wages	27,864,846	26,166,814
Contribution to provident and other funds	188,099	218,354
Staff welfare expenses	572,202	487,639
Gratuity (refere note 26.1)	1,301,312	984,556
Total	**29,926,459**	**27,857,363**

26.1 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. 1,88,099 (31st March 2019 : Rs. 2,18,354) 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	2019-20	2018-19
Employer's contribution to provident fund and pension fund	188,099	218,354

B. Defined Benefit Plans

Contributions to defined benefit plan is as under :

Amt in Rs.

Change in defined benefit obligation	2019-20	2018-19
Opening defined benefit obligation	7,274,696	5,989,565
Current Service cost	786,109	512,578
Interest cost	515,203	471,978
Acturial losses (gains) due to change in financial assumption	666,214	156,994
Acturial losses (gains) due to experience adjustments	(403,244)	143,581
Closing defined benefit obligation	**8,838,978**	**7,274,696**

B. Defined Benefit Plans

Contributions to defined benefit plan is as under :

Amt in Rs.

Change in plan assets	2019-20	2018-19
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	2019-20	2018-19
Fair value of plan assets	-	-
Present value of obligation	8,838,978	7,274,696
Amount recognised in Balance Sheet	8,838,978	7,274,696

Amt in Rs.

The net amount recognised in the statement of Profit & Loss for the year ended 31st March,2020	2019-20	2018-19
Current service cost	786,109	512,578
Interest on obligation	515,203	471,978
Expected return on plan assets	-	-
Past service cost and loss/ (gain) on curtailments and settlement	-	-
Total recognised in the Statement of Profit & Loss	**1,301,312**	**984,556**

Amt in Rs.

The net amount recognised in Other Comprehensive Income for the year ended 31st March,2020	2019-20	2018-19
Components of actuarial (Gains)/Losses on Obligation		
- Due to change in financial assumptions	666,214	156,994
- Due to experience adjustments	(403,244)	143,581
Net (income)/ expense for the period recognised in OCI	**262,970**	**300,575**

Amt in Rs.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)	2019-20	2018-19
Discount rate	6.55%	7.60%
Expected rate of return on plan assets	-	-
Annual increase in salary costs	6.00%	6.00%
Withdrawal rate	10% at lower service reducing to 2% at higher service	10% at lower service reducing to 2% at higher service
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	2019-20	2018-19
1st Following Year	1,463,571	991,424
2nd Following Year	272,291	508,174
3rd Following Year	216,890	256,101
4th Following Year	728,053	202,443
5th Following Year	1,711,556	683,457
Sum of Year 6 to year 10	3,976,945	4,189,525

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	2019-20	2018-19
Project Benefit Obligation on Current Assumption	8,838,978	7,274,696
Delta Effect of +0.5% Change in Rate of Discounting	(329,082)	(276,249)
Delta Effect of -0.5% Change in Rate of Discounting	352,683	295,723
Delta Effect of +0.5% Change in Rate of Salary Increase	312,189	263,550
Delta Effect of -0.5% Change in Rate of Salary Increase	(304,705)	(261,211)
Delta Effect of 10% Change in Withdrawal rate (W.R.)	(596,282)	11,416
Delta Effect of -10% Change in Withdrawal rate (W.R.)	(4,040)	(11,907)

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.

27. Finance costs **Amt in Rs.**

Particulars	2019-20	2018-19
Interest expense		
- Bank interest	5,308,288	5,978,629
- on Income Tax	-	33,855
- others	1,686,064	535,749
Other Borrowing Costs	2,395,674	3,913,781
Total	**9,390,026**	**10,462,014**

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

Particulars	2019-20	2018-19
Depreciation	13,819,914	14,636,903
Amortisation	164,618	222,794
Total	**13,984,532**	**14,859,697**

29. Other expenses **Amt in Rs.**

Particulars	2019-20	2018-19
Manufacturing Expenses		
Stores, chemicals and packing materials	12,386,652	10,589,214
Freight & Cartage	768,569	1,000,500
Processing & other expenses	6,426,820	8,772,550
Power & Fuel	10,391,948	11,018,383
Repairs to machinery	1,580,108	2,681,193
Selling and Distribution Expenses		
Advertisement	44,828	93,387
Sales Promotion & Exhibition Expenses	166,667	711,606
Others		
Commission	4,372,738	4,518,340
Travelling & Conveyance	1,223,464	1,225,455
Postage & Telephone	664,362	1,078,915
Insurance	244,129	297,115
Rent, Rates & Taxes	4,026,450	5,193,263
Professional & Legal Expenses	3,306,726	3,105,076
Repairs & Maintenance - Buildings	493,303	705,768

29. Other expenses Amt in Rs.

Particulars	2019-20	2018-19
Repairs & Maintenance - Others	1,484,274	2,236,960
Factory General Expenses	712,447	436,377
Printing & Stationery	1,285,786	1,249,873
Electricity Charges	674,826	712,430
Auditors' Remuneration (refer note 29.3)	50,000	50,000
Office Expenses	398,154	357,270
Security	621,213	613,637
Web & Internet Expenses	390,681	184,366
Bank Charges	62,132	126,713
Bad debts	247,451	56,322
Claim & Vatav	2,427,970	623,648
Donation	31,000	505,000
Transmission & other charges	2,363,560	2,485,628
Service Tax & Excise	870,815	-
Interest on TDS	26,595	31,647
Interest on Indirect Tax	415,567	2,890
Misc. Expenses	77,220	112,240
Penalty	132,102	102,700
Membership Fees	2,950	3,950
Loss on sale of Fixed Assets	28,080	3,864
Sundry balance written off	-	19,010
Total	**58,399,586**	**60,905,290**

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

Particulars	2019-20		2018-19	
	Amount Rs.	% of Total Consumption	Amount Rs.	% of Total Consumption
Imported	337,536	3.15%	723,714	8.24%
Indigeneous	10,369,083	96.85%	8,064,243	91.76%
Total	**10,706,619**	**100.00%**	**8,787,957**	**100.00%**

29.2. CIF Value of Import Amt in Rs.

Particulars	2019-20	2018-19
Raw Material	-	9,284,804
Stores & Spares	337,536	723,714
Total	**337,536**	**10,008,518**

29.3. Auditor Remuneration & others

Amt in Rs.

Particulars	2019-20	2018-19
As Auditors	50,000	50,000
Total	**50,000**	**50,000**

29.4. Expenditure in Foreign Currency

Amt in Rs.

Particulars	2019-20	2018-19
Bank Interest	3,181,354	3,537,189
Bank Loan Principle Repayment	4,898,835	21,533,817
Bank Charges	1,267	26,129
Total	**8,081,456**	**25,097,135**

29.5. Earnings In Foreign Currency

Amt in Rs.

Particulars	2019-20	2018-19
Exports :-		
Direct Exports (FOB Value)	2,079,245	765,027
Total	**2,079,245**	**765,027**

30. 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:

30.1

Amt in Rs.

RELATIONSHIP	2018-19	2017-18
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. Jesalben P Shah, Independent Director (up till 14.08.2019)	

30.1 Amt in Rs.

RELATIONSHIP	2019-20	2018-19
	Ms. Swetal Sapra, Woman Independent Director (w.e.f. 14.08.2019) Mrs. Shashi Gupta, Relative of Director Mr. Gopalkrishna Sharma, Chief Financial Officer Mr. Darshan Shah, Company Secretary	

30.2. Directors Remuneration Amt in Rs.

Particulars	2019-20	2018-19
Directors Remuneration		
Mr. Nandlal Agarwal	1,800,000	360,000
Mr. Kunal N. Agrawal	1,200,000	600,000
Mr. Minesh C. Shah	1,170,000	1,169,964

30.3. Details of loans Amt in Rs.

Particulars	Key Managerial Personnel (KMP) & Relatives
Loan taken	38,126,000
Loan repaid	39,700,000

30.4. Rent Amt in Rs.

Particulars	2019-20	2018-19
Rent paid to Mrs. Shashi Gupta	3,000,000	4,200,000

31. 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	2019-20	2018-19
Profit/(Loss) for the year	1,826,811	8,264,333
Less: Dividend on Preference Shares	-	-
Net Profit / (Loss) attributable to Equity Shareholders	1,826,811	8,264,333
Add\Less: Extra Ordinary Items	-	-
Profit / (Loss) after taxation before Extra Ordinary Items	1,826,811	8,264,333
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	0.26	1.18
Diluted Earning Per Share	0.26	1.18
Nominal Value Per Share	10	10

32. 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	2019-20	2018-19
1. Segment Revenue (Net Revenue)		
a. Manufacturing of Engraved Cylinders	1,398.39	1,621.30
b. Power Generation through Windmill	122.76	79.10
TOTAL	1,521.14	1,700.40
2. Segment Result		
Profit before tax and interest		
a. Manufacturing of Engraved Cylinders	75.26	196.40
b. Power Generation through Windmill	40.85	(4.03)
	116.11	192.37
Less : Interest	93.90	104.62
Total Profit / (loss) before tax	**22.21**	**87.75**

33. Risk measurement, Objectives and Policies.

33.1 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.

33.2 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 31/03/2020	Balance as at 31/03/2019
Up to 3 months	25,491,344	33,954,887
3 to 6 months	14,981,699	10,963,599
6 to 12 months	11,464,386	6,072,047
Beyond 12 months	5,964,484	6,516,417
Gross Carrying Amount	**57,901,913**	**57,506,950**
Expected Credit Losses	-	-
Net Carrying Amount	**57,901,913**	**57,506,950**

(b) Details of single customer accounted for more than 10% of the accounts receivable as at 31st March 2020 and 31st March 2019

Amt in Rs.

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Makers Polyfilms Pvt. Ltd.	17,091,596	5,120,429
Uma converter limited	3,129,278	5,808,462

(C) Details of single customer accounted for more than 10% of revenue for the year ended at 31st March 2020 and 31st March 2019:

Amt in Rs.

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Makers Polyfilms Pvt. Ltd.	25,979,758	15,016,566
Uma converter limited	15,346,586	6,698,245

33.3 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 31/03/2020			As at 31/03/2019		
	Less than 1 yr.	1 to 5 yrs.	Total	Less than 1 yr.	1 to 5 yrs.	Total
Borrowings including interest obligations	54,389,223	9,007,857	63,397,081	53,229,075	14,149,431	67,378,506
Trade payables	6,211,204	-	6,211,204	10,854,809	-	10,854,809
Total	**60,600,427**	**9,007,857**	**69,608,285**	**64,083,884**	**14,149,431**	**78,233,315**

33.4 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 31/03/2020	As at 31/03/2019
Term Loan from Banks	50	72,063	96,990
	(50)	(72,063)	(96,990)
Working Capital Facilities from Bank	50	244,923	239,903
	(50)	(244,923)	(239,903)

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 2020 and 31st March 2019 are as follows:

Amt in Rs.

Particulars	As at 31/03/2020	As at 31/03/2019
Financial Liabilities		
Borrowings (at exchange rate as on 31st March)	22,611,103	21,605,356
Borrowings (Considering increase in USD/INR rate by 5%)	23,741,658	22,685,624
Borrowings (Considering increase in USD/INR rate by 10%)	24,872,213	23,765,892
Borrowings (Considering decrease in USD/INR rate by 5%)	21,480,548	20,525,088

ii) As of 31st March 2020 and 31st March 2019, 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 2020 and 31st March 2019 were as follows:

Amt in Rs.

Particulars	Impact on PBT	
	Year ended 31/03/2020	Year ended 31/03/2019
USD		
5% Increase	316,641	45,113
10% Increase	501,764	110,936
5% Decrease	(53,605)	(86,531)

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	
	2019-20	2018-19
Increase in price of raw materials by 5%	(1,832,743)	(1,850,617)
Decrease in price of raw materials by 5%	1,832,743	1,850,617

34. 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 31/03/2020	As at 31/03/2019
Borrowings	63,423,081	68,978,506
Less: Cash & Cash Equivalents	225,463	392,536
Net Debt (A)	63,197,618	68,585,970
Total Equity (B)	240,453,248	238,889,407
Equity and Net Debt [(c): (A)+(B)]	303,650,865	307,475,377
Gearing Ratio [(A)/(c)]	0.21	0.22

35. "GLOBAL HEALTH PANDEMIC - COVID-19

In the last quarter of financial year 2019-20, we have seen an unprecedented global breakout of the COVID-19 pandemic leading to a humanitarian crisis, lockdown across many countries 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. The nationwide lockdown for 2 months which further got extended at various places to prevent community spread of COVID-19 resulted in significant reduction in economic activities.

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."

36. 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.

37. 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 July 27, 2020, there were no subsequent events to be recognized or reported that are not already previously disclosed.

38. 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)	**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 : July 27, 2020	(CFO)	(Company Secretary)

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