

J.K. FENNER (INDIA) LIMITED

Registered Office : 3, Madurai-Melakkal Road, Madurai, Tamil Nadu – 625016

Telephone No. : 0452-4283800

Email : vijayaraghavan@jkfenner.com, Website : www.jkfenner.com

CIN : U24231TN1992PLC062306

NOTICE TO EQUITY SHAREHOLDERS

MEETING OF EQUITY SHAREHOLDERS CONVENED PURSUANT TO ORDER OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, CHENNAI BENCH

Day	Wednesday
Date	18 th January 2023
Time	11.30 A.M.
Venue	3, Madurai-Melakkal Road, Madurai, Tamil Nadu – 625016

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

BENCH AT CHENNAI

CA (CAA) NO.66 (CHE)/2022

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 to 232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of J.K. Fenner (India) Limited;

And

In the matter of Scheme of Amalgamation amongst Acorn Engineering Limited and

J.K. Fenner (India) Limited and their respective Shareholders and Creditors;

J.K. Fenner (India) Limited

(CIN:U24231TN1992PLC062306, PAN:AAACJ7230N),)

a company incorporated under the provisions of the)

Companies Act, 1956 and having its registered office)

at 3, Madurai-Melakkal Road, Madurai 625016, Tamil Nadu.)

...Applicant/Transferee Company

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT/TRANSFEREE COMPANY

To,

The Equity Shareholders of J.K. Fenner (India) Limited ("Applicant Company"):

NOTICE is hereby given that by an Order dated 4th November 2022 read with Order dated 7th December, 2022 ("**Orders**"), the Hon'ble National Company Law Tribunal, Bench at Chennai ("**NCLT**") has directed a meeting of the Equity Shareholders of the Applicant Company to be held on Wednesday, 18th January 2023 at 11.30 A.M. at Registered Office of the applicant Company at 3, Madurai-Melakkal Road, Madurai 625016, Tamil Nadu, for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Amalgamation amongst Acorn Engineering Limited and J.K. Fenner (India) Limited and their respective Shareholders and Creditors ("**Scheme**").

In pursuance of the Orders and as directed therein, further notice is hereby given that a meeting of the Equity Shareholders of the Applicant Company will be held at the registered office of the Applicant Company at 3, Madurai-Melakkal Road, Madurai 625016, Tamil Nadu, on Wednesday, 18th January 2023 at 11.30 A.M., at which time and place you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof, for the time being in force) as may be applicable, relevant provisions of the Income Tax Act, 1961, and any other applicable laws, rules, circulars and regulations, and subject to the relevant provisions of the memorandum of association and articles of association of J.K. Fenner (India) Limited and subject to the approval of the Hon'ble National Company Law Tribunal, Chennai Bench ("**NCLT**") and subject to such other approvals, permissions and sanctions of regulatory and other authorities or tribunals, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted /to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution),

the arrangement embodied in the Scheme of Arrangement between Acorn Engineering Limited ("**Transferor Company**") and J.K. Fenner (India) Limited ("**Transferee Company/ the Company**") and their respective Shareholders and Creditors ("**Scheme**") the draft of which was circulated along with this Notice, be and is hereby approved.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution and for removal of any difficulties or doubts, the Board, be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem desirable, necessary, expedient, usual or proper, and to settle any questions or difficulties or doubts that may arise, including passing of such accounting entries and /or making such adjustments in the books of accounts, transfer/vesting of such assets and liabilities as considered necessary to give effect to the above resolution, including issuance and listing of new equity shares under the scheme, settling of any questions or difficulties arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any of those, and to make modifications, amendments, revisions, edits and all other actions as may be required to finalise the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect or to carry out such modifications/directions as may be required and/or imposed and/or permitted by the NCLT while sanctioning the Scheme, or by any governmental authorities, to do and perform and to authorise the performance of all such acts and deeds which are necessary or advisable for the implementation of the Scheme and upon the sanction of the Scheme by, amongst others, the NCLT and/or any other regulatory/Government authorities, to implement and to make the Scheme effective, without any further approval of the Board or to approve withdrawal (and where applicable, re-filing) of the Scheme at any stage for any reason including in case any changes and/or modifications are suggested/ required to be made in the Scheme or any condition suggested, required or imposed, whether by any shareholder and/or creditor of the Company, the NCLT, and/or any other authority, are in its view not acceptable to the Company, and/or if the Scheme cannot be implemented otherwise, and to do all such acts, deeds and things as it may deem necessary and desirable in connection therewith and incidental thereto, to approve and authorise execution of any agreements, deeds, documents, declarations, affidavits, writings, etc. (including any alterations or modifications in the documents executed or to be executed), whether or not under the Common Seal of the Company, as may be required from time to time in connection with the Scheme."

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Applicant Company at 3, Madurai-Melakkal Road, Madurai 625016, Tamil Nadu, India, not later than 48 (forty-eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

Copies of the Scheme and Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 ("Act") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("Rules"), along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at 3, Madurai-Melakkal Road, Madurai 625016, Tamil Nadu, India or at the office of its advocates at No. 5, 1st and 2nd Floor, 8th street, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600004.

NCLT has appointed Ms. M. S. Elamathi to be the Chairperson of the said meeting including for any adjournment or adjournments thereof.

There shall be NCLT appointed Scrutinizer for the conduct of voting process at the aforesaid meeting.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of the NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Rules, the Scheme and the other enclosures as indicated in the Index are enclosed.

Dated : 17th December 2022

Registered Office

J.K. Fenner (India) Limited

3, Madurai-Melakkal Road, Madurai 625016, Tamil Nadu

For J.K. Fenner (India) Limited

Sd/-

R.Vijayaraghavan

Company Secretary

Notes:

1. A member entitled to attend and vote at the meeting of the Equity Shareholders is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Applicant Company. A proxy shall not have the right to speak at the Equity Shareholders Meeting. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Applicant Company carrying voting rights. However, a member holding more than 10% of the total share capital of the Applicant Company carrying voting rights may appoint a single person as proxy provided that such person shall not act as proxy for any other person or shareholder. The instrument appointing proxy in order to be valid and effective should be lodged/deposited at the registered office of the Applicant Company not later than forty-eight (48) hours before the commencement of the meeting of the Equity Shareholders of the Applicant Company.
2. Only registered Equity Shareholders of the Applicant Company may attend and vote either in person or by proxy (a proxy need not an Equity Shareholder of the Applicant Company) or in the case of a body corporate or Registered Foreign Portfolio Investors (“**RFPI**”) or Foreign Institutional Investors (“**FII**”), by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the Equity Shareholders of the Applicant Company. The authorised representative of a body corporate/RFPI/FII which is a registered Equity Shareholder of the Applicant Company may attend and vote at the meeting of the Equity Shareholders of the Applicant Company provided a copy of the resolution of the Board of Directors or other governing body of the body corporate/RFPI/FII authorising such representative to attend and vote at the meeting of the Equity Shareholders of the Applicant Company, duly certified to be a true copy by a Director, the Manager, the Secretary or other authorised officer of such body corporate/RFPI/FII, is deposited at the registered office of the Applicant Company not later than forty-eight (48) hours before the scheduled time of the commencement of the meeting of the Equity Shareholders of the Applicant Company.
3. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.
4. All alterations made in the form of proxy should be initialed.
5. During the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, an equity shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Applicant Company, provided that not less than 3 (three) days of notice in writing is given to the Applicant Company.
6. The quorum of the meeting of the equity shareholders of the Applicant Company shall be 5 equity shareholders of the Applicant Company.
7. A registered equity shareholder or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
8. The registered equity shareholders who hold shares in dematerialised form and who are attending the meeting, are requested to bring their DP ID and Client ID for easy identification.
9. Equity Shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of J.K. Fenner (India) Limited in respect of such joint holding will be entitled to vote.
10. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the equity shareholders at the registered office of the Applicant Company between 10.00 am and 04.00 pm on all days (except Saturdays, Sundays and public holidays) up to the date of the meeting.
11. Equity shareholders holding equity shares as on 31st January 2022, being the cut-off date, will be entitled to exercise their right to vote on the above resolution.

12. The Notice, together with the documents accompanying the same, is being sent to all the equity shareholders either by registered post or speed post or by courier service or electronically by e-mail to those equity shareholders who have registered their e-mail IDs with the Applicant Company. The Notice will be displayed on the website of the Applicant Company www.jkfenner.com.
13. Voting rights shall be reckoned on the paid-up value of the shares registered in the names of the equity shareholders as on 31st January 2022. Persons who are not equity shareholders of the Applicant Company as on the cut-off date i.e. 31st January 2022, should treat this notice for information purposes only.
14. The notice convening the meeting will be published through advertisement in (i) Financial Express (All India Edition) in English language; and (ii) translation thereof in Malai Malar (Tamil Nadu Edition) in Tamil language.
15. In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the equity shareholders of the Applicant Company, voting in person or by proxy, agree to the Scheme.
16. The scrutinizer will submit his/her report to the Chairperson of the meeting after completion of the scrutiny of the votes cast by the equity shareholders of the Applicant Company. The scrutinizer's decision on the validity of the vote shall be final. The results of votes cast at the venue of the meeting will be announced on or before 21st January 2023 at the registered office of the Applicant Company. The results, together with the scrutinizer's reports, will be displayed at the registered office of the Applicant Company and on the website of the Applicant Company.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

BENCH AT CHENNAI

CA (CAA) NO.66 (CHE)/2022

In the matter of Companies Act, 2013;

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder;

AND

In the matter of Scheme of Amalgamation amongst Acorn Engineering Limited ("**Transferor Company**") and J.K. Fenner (India) Limited ("**Transferee Company**") and their respective Shareholders and Creditors ("**Scheme**").

AND

In the matter of:

ACORN ENGINEERING LIMITED (CIN: U74210TN1978PLC150933, PAN: AABCA2194F), A COMPANY INCORPORATED UNDER THE COMPANIES ACT, 1956, HAVING ITS REGISTERED OFFICE AT 3, MADURAI-MELAKKAL ROAD, KOCHADAI, MADURAI, TAMIL NADU – 625 016.

... TRANSFEROR COMPANY

AND

J.K. FENNER (INDIA) LIMITED (CIN: U24231TN1992PLC062306, PAN: AAACJ7230N), A COMPANY INCORPORATED UNDER THE COMPANIES ACT, 1956, HAVING ITS REGISTERED OFFICE AT 3, MADURAI-MELAKKAL ROAD, MADURAI, TAMIL NADU – 625 016.

... TRANSFEE COMPANY

EXPLANATORY STATEMENT UNDER SECTIONS 230 TO 232 AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 ("EXPLANATORY STATEMENT")

1. PARTIES INVOLVED IN THIS SCHEME

- a. Acorn Engineering Limited referred to as "Transferor Company".
- b. J.K. Fenner (India) Limited, referred to as "Transferee Company".

The above companies together are referred to as "Parties" or "the Companies involved in the Scheme". A copy of the Scheme setting out in detail the terms and conditions of the arrangement is attached to this Explanatory Statement and forms part of this Explanatory Statement as Annexure-1.

2. MEETING OF EQUITY SHARE HOLDERS AND UNSECURED CREDITORS OF THE TRANSFEE COMPANY

- a. This is an Explanatory Statement accompanying the Notice ("Notice") convening the meeting of the Equity Shareholders and Unsecured Creditors of the Transferee Company for the purpose of their consideration and if thought fit, approving, the proposed Scheme of Amalgamation amongst the Transferor Company and the Transferee Company and their respective Share holders and Creditors ("Scheme") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**CAARules**"), whereby and where under the Transferor Company shall stand merged with and into the Transferee Company.
- b. Pursuant to Orders dated 4th November 2022 and 7th December 2022 passed by the Chennai Bench of the National Company Law Tribunal ("**NCLT**" / "**Hon'ble Tribunal**") in the Company Application No. **C.A.(CAA) NO.66 (CHE) / 2022**

referred to herein above (“**Orders**”), the meeting of the Equity Shareholders and Unsecured Creditors of the Transferee Company are being convened and held on Wednesday, 18th January, 2023 at 11.30 AM and 2.30 PM respectively, for the purpose of considering and if thought fit, approving the arrangement embodied in the above Scheme. The venue of the aforesaid meetings is the Registered Office of the Transferee Company at 3, Madurai-Melakkal Road, Madurai, Tamil Nadu – 625016. The copy of the Orders are enclosed as **Annexure-2 (Colly)**. The Hon’ble Tribunal has dispensed with the convening of the meeting of the Equity Shareholders of the Transferor Company and Preference Shareholders and Secured Creditors of the Transferee Company.

3. PARTICULARS OF THE COMPANIES WHO ARE PARTIES TO THE SCHEME

i. Acorn Engineering Limited (“Transferor Company”)

- a. The Transferor Company is an unlisted public limited company incorporated under the Companies Act, 1956 (“1956 Act”), having its Registered Office at 3, Madurai-Melakkal Road, Kochadai, Madurai 625 016, Tamil Nadu. The Transferor Company was originally incorporated as a private limited company in the NCT of Delhi on 11 August 1978 under the name of ‘Acorn Engineering Private Limited’. The Transferor Company was subsequently converted into a public limited company with the name of ‘Acorn Engineering Limited’ in terms of the fresh Certificate of Incorporation consequent upon change of name dated 21 July 1984. Thereafter, on 29 March 2022, the registered office of the Transferor Company was shifted from the NCT of Delhi to the State of Tamil Nadu, in accordance with the Companies Act, 2013.
- b. The Transferor Company is inter alia, authorised to, and is engaged in, the business of manufacturing, production, dealing in systems, components, parts, services and all engineering materials for the mechanical transmission of power for various industries.
- c. The main objects for which the Transferor Company has been incorporated are set out in its Memorandum of Association. The main objects of the Transferor Company are as follows:
 1. To design, develop, assemble, manufacture, test, qualify, buy, sell, deal in, overhaul, repair, alter, maintain and improve all types of Mechanical, chemical, electronic, optical, acoustic, products and systems and components, parts and raw materials comprising natural and synthetic materials, composites, carbonfibre, ferrous, non-ferrous, thereof, technology products, information technology hardwares and softwares, application softwares and engineering applications, softwares, models and prototypes, such as, but not limited to Ammunition, fuzes, guns, security films and laminates, runflat tyre inserts, track wheels, links and pins, track pads, avionics, sensors, electronic warfare and integrated defensive suites, jammers, simulators, electro-optics, accouterment and accessories, training equipment, testing equipment, installation equipment, for use in Surface vehicles whether Land and Naval, including Army and Navy, paramilitary forces and police, railways, automobiles, military and civilian; Airborne vehicles -Fixed and Rotary wing aircraft, both manned and unmanned; Underwater vehicles -submarines; Immobile locations -Buildings, bunkers, airports, railway stations, etc., for the Indian and International markets as a Centre of Excellence.
 2. To design and develop, buy, sell, deal in all types of services such as, but not limited to Design and development services, testing services, validation and verification services, qualification and certification services, contract manufacturing services, obsolescence management services, installation services, personalization services, training services, Management services, legal services, sales, marketing and distribution services, information technology services, human resources services, security services, consulting services, advisory services. Maintenance, Repair & Overhaul (MRO) offixed and rotary wing aircraft, manned and unmanned airborne vehicles, ground handling services for aircrafts.

3. To manufacture, produce, buy, sell, import, export, trade, deal in, support and service all types of products whether mechanical, chemical, electronic including, but not limited to, its systems, components and parts and services, maintenance, repair, overhaul, engineering and information technology applications, software, design and development, drawings in the domain of Defence, Aerospace, Homeland Security, Safety, Engineering, Technology, products and systems and raw materials thereof for surface, airborne, naval, submarine, automotive and ground applications, for the military and civilian in India and International markets.
4. To manufacture pulleys, reduction gears, couplings, bushing, bearings, plumber blocks, and all engineering materials for the mechanical transmission of power; belt fasteners, and belt fastening machines; all engineering equipment for collieries; conveyors and elevators for all purposes and material handling appliances generally; all engineering materials treated with or made of plastics; and generally to carry on all or any of the business of engineers; mill furnishers, metal workers and machinists.

- b. The share capital structure of the Transferor Company as on 31 March 2022 is as follows:

Share Capital	Amount in Rs.
Authorised	
1,00,000 equity shares of Rs. 10 each	10,00,000
50,000 10% cumulative redeemable preference shares of Rs. 10 each	5,00,000
Total	15,00,000
Issued, Subscribed and Paid-up	
50,500 fully paid up equity shares of Rs. 10 each	5,05,000
Total	5,05,000

There has been no change in the aforesaid share capital structure of the Transferor Company subsequent to 31 March 2022.

- e. The details of Promoters of the Transferor Company as on the date of the Notice along with their addresses are mentioned here in below:

Sl.No.	Name	Address
1.	J.K. Fenner (India) Limited	3, Madurai-Melakkal Road, Madurai 625 016.

- f. The details of Directors of the Transfer or Company as on the date of the Notice along with their addresses are mentioned here in below:

Sl.No.	Name	DIN	Address
1.	Shri Nagaraju Srirama	02473218	Flat No.C-1, 'Vridhi' II Floor, Old No.22, New No.45, 1st Main Road, R.A. Puram, Chennai 600 028.
2.	Shri A K Kinra	00066421	E-9/16, Vasant Vihar, New Delhi 110057
3.	Shri Vidya Charan Shukla	06925365	B5, Block-3, Mangolia Park, Five Furlong Road, Guindy, Chennai 600 032

- g. Copy of audited accounts of the Transferor Company as on 31 March 2022 is attached hereto as Annexure-5.
- h. Copy of unaudited financial statements of the Transferor Company as on 30 September 2022 is attached hereto as Annexure-6.
- i. The Permanent Account Number of the Transferor Company is AABCA2194F.

- ii. J.K. Fenner (India) Limited ("Transferee Company")
- a. The Transferee Company is an unlisted public limited company incorporated under the 1956 Act having its Registered Office at 3, Madurai-Melakkal Road, Madurai 625 016, Tamil Nadu. The Transferee Company was originally incorporated as a private limited company in the State of West Bengal on 9 April 1992 under the name of 'Sonex Pharma Private Limited'. The Transferee Company was subsequently converted into a public limited company with the name of 'Sonex Pharma Limited' in terms of the fresh Certificate of Incorporation consequent upon change of name dated 22 April 1997. The name of the Transferee Company was changed to 'J.K. Drugs & Pharmaceuticals Limited' in terms of fresh Certificate of Incorporation consequent upon change of name dated 23 April 1997. The name of the Transferee was changed to 'Radical Research Limited' in terms of fresh Certificate of Incorporation consequent upon change of name dated 14 August 2006. The name of the Transferee was changed to 'RR Belts & Seats Limited' in terms of fresh Certificate of Incorporation consequent upon change of name dated 18 January 2007. The Registered Office of the Transferee Company was shifted from the State of West Bengal to the State of Tamil Nadu in terms of Certificate of Registration dated 8 February 2007 issued by the Registrar of Companies, Tamil Nadu. The name of the Transferee was changed to 'Fenner (India) Limited' in terms of fresh Certificate of Incorporation consequent upon change of name dated 25 October 2007. The name of the Transferee was changed to its present name 'J.K. Fenner (India) Limited' in terms of fresh Certificate of Incorporation consequent upon change of name dated 27 June 2013.
- b. The Transferee Company is inter alia, authorised to, and is engaged in, the business of manufacturing mechanical power transmission products.
- c. The main objects for which the Transferee Company has been incorporated are set out in its Memorandum of Association. The main objects of the Transferee Company are as follows:
- 1) To carry on the business of manufacturers, fabricators, processors, producers, makers, importers, exporters, buyers, sellers, suppliers, stockists, agents, merchants, distributors, and concessionaires of and dealers in all or any of the following goods, products, services or activities:
 - i. Mechanical power transmission and pulleys, reduction gears, bushings, bearings, plummer blocks and all engineering materials and other accessories therefor; conveyors and elevators for all purposes; conveyor, elevator and transmission beltings; V-belts of all kinds; mechanical rubber products, anti-vibration mountings, molded or otherwise; rubber accessories for textile industries and all general rubber goods; belt fasteners, and belt fastening machines; all engineering equipments, appliances and products of all kinds and descriptions; all engineering equipments for collieries; material handling appliances and material handling systems and equipments; oil seals, oil sealing materials, packings of all descriptions in synthetic rubbers, natural rubbers and leather plastics; all engineering materials treated with or made of plastics; and generally to carry on all or any of the businesses of engineers, rubber and plastic manufacturers, mill furnishers, metal workers, machinists, weavers, hoses of every description, card clothing, ropes and every description of rubberised and leather goods; and all materials used by rubber manufacturers, tanners and engineers; and all kinds of articles and things which may be required for the purposes of any of the said businesses or which may seem capable of being profitably dealt with in connection with any of the said businesses.
 - ii. Engineering, contracting and erection, construction and development of industrial complexes, industrial estates, structures, factories, plant and machinery, dams, canals, tunnels, bridges, overbridges, express roadways, sub-ways and roads of all kinds, hotels, restaurants, hospitals, inns, markets, shops, warehouses, cold storages, godowns, swimming pools, playgrounds, amusement

- parks, residential colonies, buildings, apartments and flats; and purchase, sale, leasing and hiring thereof.
- iii. Electric power– hydro, thermal or atomic or from non-conventional sources such as tides, wind, solar, geothermal, etc. and equipment therefor; Power stations, transmission and distribution lines, power accumulators, generators, transformers and distribution and supply thereof to any person and for any purpose in accordance with the law in force for the time being.
 - iv. Electrical equipments for transmission and distribution of electricity, such as power relays, HT switchgears, power & distribution transformers, synchronous condensers, electrical motors, pumping sets, internal combustion engines, electrical furnaces, industrial furnaces and induction heating equipment, industrial refrigeration and air-conditioning systems.
 - v. Components, spare parts and ancillaries of all kinds for automotive vehicles and equipments, trucks, buses, tractors, cars, vans, motorcycles, three and two wheelers, mopeds, power tillers, harvest combines, earthmoving equipments, fork-lifts, trailers and all other heavy or light vehicles drawn by power; industrial locomotives; body building and construction of motor vehicles of all kinds and descriptions, automotive tyres, tubes, flaps and valves, tyre beadwire, tyre inflators and mechanical jacks.
 - vi. Textiles of all kinds, yarn, cloth, fabrics, garments, hosiery, straps, nets, meshes and other products from natural fibres including cotton, silk, artsilk, wool, jute or any other natural fibres and man made fibres including spinning, weaving, bleaching, dyeing, printing, texturising thereof.
- 2) Research and Development of Ayurvedic medicines by extraction of plant products, produce, process, purchase, sell, deal in, import, export and act as agents, distributors and suppliers of Ayurvedic medicines, standardized herbal extracts, herbal food supplements, natural products, herbal formulations, various varieties of medicinal and aromatic plants, essential oils, vitamins, minerals, spice extracts, oleoresins, natural cosmetic ingredients and formulations of all kinds.
 - 3) Research and Development of hybrid and open pollinated varieties of seeds and planting material of agricultural, horticulture, medicinal, fruit or any other crop species.
 - 4) To manufacture, process, formulate, buy, sell, import, export and generally to deal in all types of drugs and pharmaceuticals including allied and by-products, basic drugs, analytical chemists, druggists, dry salts and manufacturers, importers, repackers of and dealers in pharmaceuticals, medicinal, chemical, biological, electrolytic drugs, fine chemicals, ingredients, products and compounds.
 - 5) To manufacture, refine, process, formulate, buy, sell, import, export and generally to deal in all sorts of chemicals, nephthols, dyes and intermediates, soaps, detergents, cosmetics and toiletries, agarbattis, essence, oil and dehydrated chemicals and carry on the business in all kinds and varieties of patented and non-patented medicines, drug mixtures, formulations, capsules, tablets, pills, powders, pharmaceuticals, chemicals, medical and medicinal products, preparations and materials, sterilized injections, vaccines, immunogens, phylocogens, chemicals and surgical dressings.
 - 6) To carry on all or any of the businesses whether as manufacturers, producers, processors, extractors, refiners, designers, contractors, merchants, stockists, distributors, retailers, exporters, importers, suppliers, franchisers, agents, repairers, makers, e-tailers, buyers, sellers, engineers, owners, operators, franchisees, job workers, assembler or sub-assembler or in any other commercial form of all kinds and descriptions for industries such as Automotive, Infrastructure, Power, Cement, Paper, Hydraulic, Pneumatics, Pharma, Chemical, Medical, Railways, Aviation, Defence, tele-communication, Agriculture, Sericulture, Fisheries, Aquaculture, Hatcheries, food and beverage processing and Dairy comprising of products, parts, sub-

assemblies and assemblies made of materials like rubber, plastic, metal and any other substances for Mechanical Transmission Systems, Sealing Systems, Fluid transfer systems, Vibration reducing systems, Engineering solution services including hi-tech engineering components, Industrial automation including Industry 4.0, Auto and auto component segment, Industrial component segment, electric, hybrid and fuel cell vehicles, advanced driver system, water, waste water and effluent water treatment, water technologies, textiles, electrical and electronic systems, artificial intelligence, data storage devices, hydrocarbon and mineral substances; financiers, investors, merchant banking, deal in shares, stocks & securities of all kinds, insurance activities, educational activities & other programmes, electronic commerce, mobile commerce, data processing, knowledge processing centers (KPO), digital marketing & fintech services, information/ internet technology related products & services, research and development activities, technological collaboration & technical transfer for attainment of said object including objects contained in Clause 1 to 5 herein above and any other business capable of being carried on in the interest of the Company with or without collaboration in India and/or abroad.

- d. The share capital structure of the Transferee Company as on 31 March 2022 is as follows:

Share Capital	Amount in Rs.
Authorised	
1,00,00,000 equity shares of Rs 10 each	10,00,00,000
80,00,000 preference shares of Rs.100 each	80,00,00,000
Total	90,00,00,000
Issued, Subscribed and Paid-up	
24,83,066 fully paid up equity shares of Rs.10 each	2,48,30,660
45,00,000 fully paid up preference shares of Rs.100 each	45,00,00,000
Total	47,48,30,660

There has been no change in the aforesaid share capital structure of the Transferee Company subsequent to 31 March 2022.

- e. The details of Promoters of the Transferee Company as on the date of the Notice along with their addresses are mentioned here in below:

Sl.No.	Name	Address
1.	Bengal & Assam Company Limited	Patriot House, 4th Floor, 3, Bahadur Shah Zafar Marg, New Delhi-110002

- f. The details of Directors of the Transferee Company as on the date of the Notice along with their addresses are mentioned here in below:

Sl.No.	Name	DIN	Address
1.	Dr.Raghupati Singhanian	00036129	40, Friends Colony (East), New Delhi 110065
2.	Shri H V Lodha	00394094	10 Judges Court Road, Flat No.9, Alipore, Kolkata 700027
3.	Shri Harsh Pati Singhanian	00086742	19, Prithviraj Road, New Delhi 110011
4.	Shri Rahul C Kirloskar	00007319	Lakaki Compound, Shivajinagar, Model Colony, Pune 411016
5.	Shri Bakul Jain	00380256	Shikar Kunj, 29-A, Carmichael Road, Mumbai 400026
6.	Smt. Mamta Singhanian	01667668	19, Prithviraj Road, New Delhi 110011
7.	Shri Surendra Malhotra	00271508	A-1 Girdhar Apartments, 28 Feroze Shah Road, New Delhi 110001
8.	Shri Vikrampati Singhanian	00040659	1/8 Shanti Niketan Chanakya Puri, New Delhi 110021
9.	Shri Nagaraju Srirama	02473218	Flat No.C-1, 'Vridhi' II Floor, Old No.22, New No.45, 1st Main Road, R.A. Puram, Chennai 600 028.

- g. Copy of the audited accounts of the Transferee Company for the year ended 31 March 2022 is attached hereto as Annexure-7.
- h. Copy of the unaudited financial statements of the Transferee Company for the period ended 30 September 2022 is attached hereto as Annexure-8.
- i. The Permanent Account Number of the Transferee Company is AAACJ7230N.

4. RELATIONSHIP SUBSISTING BETWEEN COMPANIES WHO ARE PARTIES TO THE SCHEME

The Transferor Company is a wholly owned subsidiary of the Transferee Company.

5. APPROVAL TO THE SCHEME BY BOARD OF DIRECTORS

- a. The Board of Directors of the Transferor Company approved the Scheme at its meeting held on 25th January 2022. The details of the Directors who voted in favour of the Resolution, who voted against the Resolution and who did not vote or participate on such Resolution is as under:-

SI.No.	Name of the Director	Voted in favour / Against / Did not vote or participate
1.	Shri Nagaraju Srirama	Voted in favour.
2.	Shri A K Kinra	Voted in favour
3.	Shri Vidya Charan Shukla	Voted in favour

- b. The Board of Directors of the Transferee Company approved the Scheme at its meeting held on 31st January 2022. The details of the Directors who voted in favour of the Resolution, who voted against the Resolution and who did not vote or participate on such Resolution is as under :-

SI.No.	Name of the Director	Voted in favour / Against / Did not vote or participate
1.	Dr.Raghupati Singhania	Voted in favour
2.	Shri H V Lodha	Voted in favour
3.	Shri Harsh Pati Singhania	Voted in favour
4.	Shri Rahul C Kirloskar	Voted in favour
5.	Shri Bakul Jain	Voted in favour
6.	Smt.Mamta Singhania	Voted in favour
7.	Shri Surendra Malhotra	Voted in favour
8.	Shri Vikrampati Singhania	Voted in favour
9.	Shri Nagaraju Srirama	Voted in favour

6. SALIENT FEATURES OF THE SCHEME

The salient features of the Scheme are as follows:

- A. The Appointed Date under the Scheme means 01 April 2022 or such other date as may be approved by the Tribunal.
- B. The Scheme provides that the same shall become effective on the last date on which certified copies of the order(s) of the Tribunal approving this Scheme are filed by the Transferor Company and the Transferee Company with the Registrar of Companies.
- C. The Scheme further provides for the amalgamation of the Transferor Company with and into the Transferee Company such that upon the Scheme becoming effective and with effect from the Appointed Date, all the assets and liabilities and entire business of the Transferor Company shall stand transferred to and vested in the Transferee Company. It is further provided in the Scheme that upon the same becoming effective and with effect from the Appointed Date:

- i. all assets of the Transferor Company, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and, or, by endorsement and delivery or by vesting and recordal pursuant to this Scheme, stand vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly;
- ii. all other movable properties of the Transferor Company, other than those described in sub-clause (i) above, including investments in shares and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Transferee Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. The Transferee Company may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor, that pursuant to the sanction of this Scheme by the Tribunal, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise all such debts (including the debts payable by such debtor or obligor to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. For the avoidance of doubt, it is hereby clarified that investments, if any, made by the Transferor Company and all the rights, title and interest of the Transferor Company in any licensed or leased movable properties shall, pursuant to Section 232(4) of the Companies Act, other applicable provisions of the Companies Act, and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, unless the licensor or lessor of such licensed / leased movable properties is the Transferee Company, in which case, the relevant leases shall become redundant and shall cease to have any effect.
- iii. all immovable properties of the Transferor Company, if any, including the rights and interests in the immovable properties of the Transferor Company, and all documents of title, rights and easements in relation thereto stand transferred to and vested in and, or, be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and, or, the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties. The relevant governmental authorities shall grant all clearances / permissions, if any, required for enabling the Transferee Company to absolutely own and enjoy the immovable properties in accordance with applicable laws. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the governmental authorities pursuant to the sanction of this Scheme by the Tribunal in accordance with the terms hereof;
- iv. all debts, liabilities, contingent liabilities, duties and obligations, whether secured or unsecured (including rupee, foreign currency loans, time and demand liabilities, undertakings and obligations of the Transferor Company), of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of account or disclosed in the balance sheets of the Transferor Company, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company without any further

act, instrument or deed, and the Transferee Company shall meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause 3.2, and the approval of this Scheme by the shareholders and creditors of the Transferor Company and Transferee Company shall be deemed sufficient for the purposes of giving effect to the provisions of this Clause 3.2. All loans, advances and other obligations due from the Transferor Company to the Transferee Company or vice versa shall stand cancelled and have no effect;

- v. all contracts, deeds, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, letters of intent, bids, undertakings, whether written or otherwise, bonds, agreements, schemes, title, arrangements and other instruments, permits, rights, entitlements, licenses, including the licenses granted by any Governmental, statutory or regulatory bodies but excluding contracts between the Transferor Company and the Transferee Company, the relevant contracts shall become redundant and shall cease to have any effect, and other contract relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which, the Transferor Company may be eligible, shall be in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto. Without prejudice to the generality of the foregoing, all bank guarantees, performance guarantees and letters of credit, agreements with any government entity, department, commission, board, agency, bureau or official, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Transferor Company or to the benefit of which the Transferor Company may be eligible, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, by operation of law pursuant to the vesting orders of the Tribunal, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Transferee Company. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors) shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of the Transferor Company. All agreements entered into by the Transferor Company stand transferred and vested in favour of the Transferee Company on the same terms and conditions. The Transferee Company and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder. For the avoidance of doubt, it is hereby clarified that, in case of a contract exclusively between the Transferor Company and the Transferee Company, the said contract shall, unless otherwise deemed by the Board of Directors of the Transferee Company, become redundant and shall cease to have any effect upon the effectiveness of the Scheme;
- vi. any notices, disputes, pending suits, appeals, taxation proceedings or other proceedings of whatsoever nature, including before any statutory or quasi-judicial authority or tribunal, if any, relating to the Transferor Company, whether by or against the Transferor Company, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of the Transferor Company or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued, prosecuted and, or, enforced by or against the Transferor Company, as if this Scheme had not been implemented;
- vii. all employees of the Transferor Company shall become employees of the Transferee Company, on such terms and conditions as are overall / in aggregate no less favourable, than those on which they are engaged by the

Transferor Company on the relevant date, without any interruption of service as a result of this amalgamation and transfer;

- viii. the intellectual property rights of any nature whatsoever of the Transferor Company and all registrations, goodwill, licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks, appertaining to the Transferor Company stand transferred to and vested in the Transferee Company;
- ix. all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, goods and service tax, value added tax, banking cash transaction tax, sales tax, service tax, etc.), including any interest, penalty, surcharge and cess, if any, payable by or refundable to or being the entitlement of the Transferor Company, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits (including input tax credit under Central Goods and Services Tax Act, 2017 and Integrated Goods and Services Tax Act, 2017), holidays, remissions, reductions, tax losses including brought forward business loss, unabsorbed depreciation etc., as would have been available to the Transferor Company, shall be available to the Transferee Company;
- x. the accounts of the Transferee Company as on the Appointed Date shall be reconstructed in accordance with the applicable provisions and terms of this Scheme. The Transferee Company shall be entitled to revise its income tax returns, wealth tax returns, tax deducted at source ("TDS") returns, and other statutory returns as may be required under respective statutes pertaining to indirect taxes, such as goods and service tax, sales-tax, value added tax, excise duties, service tax, etc.;
- xi. all approvals, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, registrations, subsidies, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), authorization, pre-qualifications, bid acceptances, tenders and certificates of every kind and description whatsoever in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible/entitled shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. For the avoidance of doubt, it is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause 3.2, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company. For this purpose, the Transferee Company shall file appropriate applications/ documents with relevant authorities concerned for information and record purposes;
- xii. benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 42, 62, 180, 185, 186 and 188 of the Companies Act, and any other approvals under the Companies Act or Companies Act, 1956, stand transferred to the Transferee Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Transferee Company;
- xiii. all bank accounts operated or entitled to be operated by the Transferor Company shall be deemed to have transferred and shall stand transferred to the Transferee Company and names of the Transferor Company shall be substituted by the name of the Transferee Company in the bank's records. The Transferee Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company to the extent necessary until the transfer of the rights and

obligations of the Transferor Company to the Transferee Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Company after the Effective Date, shall be accepted by the bankers of the Transferee Company and credited to the accounts of the Transferee Company, if presented by the Transferee Company. Similarly, the banker of the Transferee Company shall honour all cheques issued by the Transferor Company for payment after the Effective Date;

- xiv. all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Transferor Company shall be deemed to have been accrued to and, or, acquired for and on behalf of the Transferee Company and shall pursuant to the provisions of Section 232(4) of the Companies Act, other applicable provisions of the Companies Act, and the provisions of this Scheme, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company;
- xv. all lease, license or rent agreements entered into by the Transferor Company with various landlords, owners and lessors (unless: (i) such a lease or license, as the case may be, has been terminated before the Effective Date and such termination has taken effect before the Effective Date, in which case, the relevant leases or licenses shall become redundant and shall cease to have any effect upon the effectiveness of the Scheme; or (ii) such lease, license or rent agreements have been entered into between the Transferor Company and the Transferee Company, in which case, the relevant agreements shall become redundant and shall cease to have any effect), together with all rights and interests in lease / licensed properties, security deposits and advance/ prepaid lease/license fee, etc., stand automatically transferred and vested in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent, or lease or license fee as provided for in such agreements, and the Transferee Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants thereunder. Without limiting the generality of the foregoing, the Transferee Company shall also be entitled to refund of security deposits paid under any lease, license or rent agreement by the Transferor Company; and
- xvi. all electricity connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities to the Transferor Company, together with security deposits and all other advances paid, stand automatically transferred and vested in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The relevant electricity companies, boards, agencies and authorities shall issue invoices in the name of the Transferee Company with effect from the billing cycle commencing from the month immediately succeeding the month in which an intimation of the approval of this Scheme by the Court is filed by the Transferee Company with them. The Transferee Company and the relevant electricity companies, boards, agencies and authorities shall continue to comply with the terms, conditions and covenants associated with the grant of such connection. Without limiting the generality of the foregoing, the Transferee Company shall also be entitled to refund of security deposits paid to or placed with such electricity companies, boards, agencies, municipal corporation, statutory and other authorities by the Transferor Company.

- D. The Scheme provides that upon the same coming into effect on the Effective Date, the authorised share capital of the Transferee Company shall stand increased such that the increased Authorized share capital shall be a sum of

Rs.90,15,00,000 (Indian Rupees Ninety Crores and Fifteen Lakhs), divided into 1,01,00,000 (One Crore and One Lakh) equity shares of Rs. 10 (Indian Rupees Ten) each and 80,05,000 (Eighty Lakh Five Thousand) preference shares of Rs.100 (Indian Rupees Hundred) each, on payment of appropriate fee payable for such increase in the Authorised capital after adjusting the fee paid by the Transferor Company in respect of its authorised capital, as envisaged under Section 232(3)(i) of the Companies Act, 2013. The Transferee Company shall file all requisite forms with the Registrar of Companies for such increase in the Authorised capital.

- E. It is provided for in the Scheme that upon the same becoming effective, the Transferor Company shall stand dissolved without winding up.
- F. No shares will be issued to the shareholders of the Transferor Company pursuant to the Scheme, as the said company is a wholly-owned subsidiary of the Transferee Company. All equity shares and other securities of the Transferor Company held by the Transferee Company (either directly or through nominees) shall stand cancelled without any further application, act or deed.
- G. The Scheme provides that the Transferee Company shall account for the amalgamation in accordance with the accounting standards prescribed under Section 133 of the 2013 Act.
- H. Upon the sanction of this Scheme and upon this Scheme coming into effect on the Effective Date, the following shall be deemed to have occurred / shall occur and become effective and operative, only in the sequence and in the order mentioned hereunder:
 - i. amalgamation of the Transferor Company into and with the Transferee Company in accordance with Part - III of the Scheme, the consummation of all actions necessary to appropriately record such an amalgamation in records of the Transferee Company;
 - ii. transfer of the authorised share capital of the Transferor Company to the Transferee Company as provided in Clause 2.2 of the Scheme, and consequential increase in the authorised share capital of the Transferee Company as provided thereunder;
 - iii. cancellation of the shares of the Transferor Company held by the Transferee Company in terms of Clause 4.2.2 of the Scheme; and
 - iv. dissolution of Transferor Company without winding-up.

The above are only the salient features of the Scheme. The Equity Shareholders and Unsecured Creditors of the Transferee Company are requested to read the entire text of the Scheme to get themselves fully acquainted with the provisions thereof.

- 7. Upon the Scheme becoming effective and in consideration of the transfer and vesting of all assets and liabilities of the Transferor Company into and with the Transferee Company, no shares shall be allotted by the Transferee Company to itself or to any of the nominee shareholders in the Transferor Company.
- 8. The Scheme does not provide for any reduction in share capital of either the Transferor Company or the Transferee Company and there is no debt restructuring being undertaken pursuant to the Scheme.

9. RATIONALE FOR THE SCHEME

The Scheme would be in the best interest of the Transferor Company and Transferee Company and their respective shareholders and creditors as the Scheme will inter alia result in:

- a. simplifying the holding structure of the group;
- b. consolidation of the businesses presently being carried on by the Transferor Company and the Transferee Company, which shall create greater synergies between such business operations and within the group, and consolidation of different market segments and market geographies;

- c. formation of a stronger company with a larger capital and asset base to enable the combined business to be pursued in a manner that is more convenient and advantageous to all the stakeholders;
- d. enhancement of competitive strength, productivity gains and logistic advantages, cash flows and operational efficiencies through optimal utilisation of resources, as a consequence of pooling of management, administrative and technical skills of various resources, better administration, and cost reduction, including economisation and reduction of managerial, administrative and other common costs;
- e. better alignment, coordination and streamlining of day to day operations and management structure and seamless implementation of policy changes leading to improvement in overall working culture and environment;
- f. significant reduction in the multiplicity of legal and regulatory compliances required; and
- g. creation of value for various stakeholders and shareholders of the Transferee Company and the Transferor Company, as a result of all of the foregoing.

10. AMOUNT DUE TO UNSECURED CREDITORS

- a. The Transferor Company has no Secured or Unsecured Creditors.
- b. The aggregate amount owed by the Transferee Company to its Unsecured Creditors is Rs.148,81,90,243/- as on 31 March, 2022.

11. DISCLOSURE ABOUT THE EFFECT OF THE SCHEME

- a. The Report adopted by the respective Board of Directors of each of the Transferor Company and the Transferee Company under the provisions of Section 232(2)(c) of the Act is attached hereto as Annexure-3 and Annexure-4.
12. None of the Directors and Key Managerial Personnel of the Transferor Company and the Transferee Company have any interest in the Scheme.
 13. Details of shareholding of the Directors and Key Managerial Personnel of the Transferor Company as on the date of the Notice is as under :-

Sr. No.	Name of Director / KMP	Address	Position	Shares in Transferor Company	Shares in Transferee Company
1.	Shri Nagaraju Srirama	Flat No. C-1, 'Vridhi' II Floor, Old No.22, New No.45, 1st Main Road, R.A. Puram, Chennai 600 028.	Director	1*	1
2.	Shri A K Kinra	E-9/16, Vasant Vihar, New Delhi 110057	Director	--	--
3.	Shri Vidya Charan Shukla	B5, Block-3, Mangolia Park, Five Furlong Road, Guindy, Chennai 600 032	Director	--	--

* Shares held jointly with J.K. Fenner (India) Limited

14. Details of shareholding of the Directors and Key Managerial Personnel of the Transferee Company as on the date of the Notice is as under :-

Sr. No.	Name of Director / KMP	Address	Position	Shares in Transferor Company	Shares in Transferee Company
1.	Dr.Raghupati Singhania	40, Friends Colony (East), New Delhi 110065	Chairman, Non-Executive Director	--	21446
2.	Shri H V Lodha	Plot No.9, 10 Judges Court Road, Alipore, Kolkata 700027	Non-Executive Director	--	--
3.	Shri Harsh Pati Singhania	19, Prithviraj Road, New Delhi 110011	Non-Executive Director	--	6715
4.	Shri Rahul Chandrakant Kirloskar	Lakaki Compound, Model Colony, Shivaji Nagar, Pune 411016	Independent Director	--	--
5.	Shri Bakul Jain	Shikar Kunj, 29-A, Carmaicheal Road, Mumbai 400026	Independent Director	--	--
6.	Smt.Mamta Singhania	19, Prithviraj Road, New Delhi 110011	Non-Executive Director	--	--
7.	Shri Surendra Malhotra	1-A1 Girdhar Apartments, 28 Feroze Shah Road, New Delhi 110001	Independent Director	--	--
8.	Shri Vikrampati Singhania	1/8 Shanti Niketan Chanakya Puri, New Delhi 110021	Managing Director and Key Managerial Personnel	--	6715
9.	Shri Nagaraju Srirama	Flat No.C-1, 'Vridhi' II Floor, Old No.22, New No.45, 1st Main Road, R.A. Puram, Chennai 600028.	Whole-time Director and Key Managerial Personnel	1*	1
10.	Shri Amit Agarwal	61, Parivar Apartments, Plot No.30, Near Fire Station, I P Extension, Patparganj, Shakar Pur Baramad, Baramad, Shakarpur Gandhi Nagar, East Delhi, Delhi 110 092.	Chief Financial Officer	-	-
11.	Shri Vijayaraghavan Raghupathy	Flat No.4, 1st Street, Plot No.9, Srinivasa Nagar, 5th Cross Street, Chittlapakkam, Chennai 600064	Company Secretary	1*	-

* Shares held jointly with J.K. Fenner (India) Limited

15. No investigation or proceedings have been instituted or are pending in relation to the Transferor Company or the Transferee Company under the Act. No winding up proceedings have been filed or are pending against the Transferor Company or the Transferee Company and no proceedings under the Insolvency and Bankruptcy Code, 2016 are pending against the Transferor Company or the Transferee Company.
16. It is submitted that in view of the fact that the merger is between a wholly-owned subsidiary and its parent company, no approval is required for the present Scheme from the Competition Commission of India in terms of Entry 9 to Schedule 1 of the Competition Commission of India (Procedure in regard to the Transaction of Business relating to Combination) Regulations, 2011.

17. ACCOUNTING TREATMENT

- The Transferor Company shall stand dissolved without winding up upon the Scheme becoming effective. Hence there is no accounting treatment prescribed under the Scheme in the books of accounts of the Transferor Company.
- The statutory auditor of the Transferee Company has confirmed that the accounting treatment in the proposed Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act, a copy of which is attached hereto as Annexure-10.

18. A copy of the Scheme and the Orders have been filed by the Transferor Company and the Transferee Company with the concerned Registrar of Companies pursuant to Section 232(2)(b) of the Act.

19. INSPECTION OF DOCUMENTS

Copies of the following documents will be available electronically for inspection without any fee to the Equity Shareholders and Unsecured Creditors of the Transferee Company from the date of circulation of this Notice up to the date of the Meetings. Equity Shareholders and Unsecured Creditors seeking to inspect such documents can visit the website of the Transferee Company at www.jkfenner.com. Equity Shareholders and Unsecured Creditors of the Transferee Company seeking any information with regard to the Scheme or the matter proposed to be considered at the Meeting, are requested to write to the Transferee Company atleast 7 days before the date of the Meeting through email on vijayaraghavan@jkfenner.com.

- a. Copy of the Company Application being CA(CAA) NO.66 (CHE)/2022 along with annexures filed with the Hon'ble Tribunal;
 - b. Copy of the Orders dated 4th November 2022 and 7th December 2022 passed by the Hon'ble Tribunal in the above Company Application;
 - c. Copy of the Scheme of Amalgamation amongst the Transferor Company and Transferee Company and their respective Shareholders and Creditors;
 - d. Copy of the audited accounts of the Transferor Company as on 31 March 2022 and unaudited financial statement as on 30 September 2022;
 - e. Copy of the audited accounts of the Transferee Company as on 31 March 2022 and unaudited financial statement as on 30 September 2022;
 - f. Copy of the Board Report adopted by the Transferor Company and the Transferee Company in accordance with Section 232(2)(c) of the Act.
 - g. Copy of the certificate issued by M/s.Lodha & Co., statutory auditor of the Transferee Company certifying the accounting treatment under the Scheme;
 - h. Copy of the Board Resolutions passed by the Companies involved in the Scheme;
 - i. Copy of the Memorandum and Articles of Association of the Companies involved in the Scheme.
 - j. Register of Directors of the Companies involved in the Scheme;
20. This Statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the CAA Rules. A copy of the Scheme and Explanatory Statement shall be furnished by the Transferee Company to its Equity Shareholders and Unsecured Creditors, free of charge, within one (1) day (except Saturdays, Sundays and public holidays) on a requisition being so made for the same by the Equity Shareholders and Unsecured Creditors of the Transferee Company.
21. On the Scheme being approved by the requisite majority of the Equity Shareholders and Unsecured Creditors of the Transferee Company, the Companies involved in this Scheme shall file a joint petition with the Hon'ble Tribunal for sanction of the Scheme under Sections 230 to 232 of the Act read with CAA Rules.

For J.K. FENNER (INDIA) LIMITED

Sd/-

Dated: 17th December 2022

Place: Chennai

R. Vijayaraghavan

Company Secretary

Registered Office:

J.K. Fenner (India) Limited

3, Madurai-Melakkal Road, Madurai 625 016, Tamil Nadu

SCHEME OF AMALGAMATION
(UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013)
AMONGST
ACORN ENGINEERING LIMITED
 (Amalgamating Company)
AND
J.K. FENNER (INDIA) LIMITED
 (Amalgamated Company)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
PART – I

1 OVERVIEW, OBJECTIVES AND BENEFITS OF THIS SCHEME

1.1 Brief overview of the companies.

1.1.1 Acorn Engineering Limited (“Amalgamating Company”):

- (i) Acorn Engineering Limited is an unlisted public limited company incorporated under the laws of India, having its registered office at 3, Madurai-Melakkal Road, Kochadai, Madurai, Tamil Nadu – 625 016. The Amalgamating Company was originally incorporated as a private limited company on 11 August 1978 and was converted into a public company on 21st July, 1984. The CIN of the Amalgamating Company is U74210TN1978PLC150933. The PAN of Amalgamating Company is AABCA2194F.
- (ii) The Amalgamating Company is a wholly owned subsidiary of the Amalgamated Company.
- (iii) The Amalgamating Company is authorised to, and engaged in, the business of manufacturing, production, dealing in systems, components, parts, services and all engineering materials for the mechanical transmission of power for various industries.

1.1.2 J.K. Fenner (India) Limited (“Amalgamated Company”)

- (i) The Amalgamated Company is an unlisted public limited company incorporated under the laws of India, having its registered office at 3, Madurai-Melakkal Road, Madurai, Tamil Nadu – 625 016. The Amalgamated Company was originally incorporated as a private limited company on 09 August 1992 and was converted into a public company on 27th June, 2013. The CIN of the Amalgamated Company is U24231TN1992PLC062306. The PAN of the Amalgamated Company is AAACJ7230N.
- (ii) The Amalgamated Company is authorised to, and is engaged in, the business of manufacturing, distribution, marketing, design, sale and export of power transmission belts, tensioners and oil seals, hoses among various other automotive parts, assembly or sub-assembly units including Mechanical Transmission Systems, Sealing Systems, Fluid transfer systems, Vibration reducing systems, Engineering solution services for various industries.

1.2 Overview, Objectives and Benefits of this Scheme.

1.2.1 Pursuant to and under the provisions of Sections 230 to 232 of the Companies Act, and other relevant provisions of Companies Act, the Amalgamating Company and Amalgamated Company propose, through this Scheme, to amalgamate the Amalgamating Company into and with the Amalgamated Company.

1.2.2 This Scheme is segregated into the following 5 (Five) parts:

- (i) Part - I sets forth the overview, objectives and benefits of this Scheme;

- (ii) Part - II sets forth the capital structure of the Amalgamating Company and the Amalgamated Company, the change in authorised share capital of the Amalgamated Company;
- (iii) Part - III deals with the amalgamation of the Amalgamating Company into and with the Amalgamated Company, in accordance with Section 2(1B) of the Income-tax Act, 1961 and Sections 230 to 232 of the Companies Act;
- (iv) Part - IV deals with the cancellation of shareholding of the Amalgamated Company in the Amalgamating Company and certain specified accounting treatments in the books of the Amalgamated Company pursuant to and in terms of this Scheme; and
- (v) Part - V deals with the general terms and conditions applicable to this Scheme.

1.2.3 This Scheme of Amalgamation is expected to result *inter-alia* in:

- (i) simplifying the holding structure of the group;
- (ii) consolidation of the businesses presently being carried on by the Amalgamating Company and the Amalgamated Company, which shall create greater synergies between such business operations and within the group, and consolidation of different market segments and market geographies;
- (iii) formation of a stronger company with a larger capital and asset base to enable the combined business to be pursued in a manner that is more convenient and advantageous to all the stakeholders;
- (iv) enhancement of competitive strength, productivity gains and logistic advantages, cash flows and operational efficiencies through optimal utilisation of resources, as a consequence of pooling of management, administrative and technical skills of various resources, better administration, and cost reduction, including economisation and reduction of managerial, administrative and other common costs;
- (v) better alignment, coordination and streamlining of day to day operations and management structure and seamless implementation of policy changes leading to improvement in overall working culture and environment;
- (vi) significant reduction in the multiplicity of legal and regulatory compliances required; and
- (vii) creation of value for various stakeholders and shareholders of the Amalgamated Company and the Amalgamating Company, as a result of all of the foregoing.

1.3 Definitions

In this Scheme, unless repugnant to the subject, context or meaning thereof, the following capitalised words and expressions shall have the meanings set forth below:

1.3.1 “Amalgamated Company” has the meaning assigned to such a term in Clause 1.1.2;

1.3.2 “Amalgamating Company” has the meaning assigned to such a term in Clause 1.1.1, and notwithstanding anything to the contrary in this Scheme, such term means and includes:

- (i) assets, wherever located (including in the possession of vendors, third parties or elsewhere), whether real, personal or mixed, tangible, present, future or contingent, including but not limited to immovable properties, land and buildings, movable assets and other plant, machinery and equipment, whether licensed, leased or otherwise held, title, interests, financial assets, investments, loans, application monies, advance monies, earnest monies and, or, security deposits or advances, including accrued interest, and other payments (in any such case whether paid by or deemed to have been paid by Amalgamating Company), covenants, undertakings and rights and benefits, including rights and benefits pertaining to any insurance policies, security arrangements, receivables, claims against any third parties, guarantees (including bank and performance guarantees), letters of credit, reversions, tenancies and other such arrangements or facilities;

- (ii) debts, borrowings, duties, guarantees, assurances, commitments, obligations and liabilities (including deferred tax liabilities and contingent liabilities), both present and future of every kind, nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or un-matured, liquidated or un-liquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, whether provided for or not in the books of accounts or disclosed in the balance sheet including, without limitation, whether arising out of any contract or tort based on negligence or strict liability or under any licences, permits or schemes;
- (iii) contracts, agreements, engagements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, sales tax credits, income tax credits, privileges and benefits of all contracts, agreements and all other rights, including license rights, lease rights, powers and facilities of every kind and description whatsoever or other understandings, deeds and instruments of whatsoever nature to which Amalgamating Company is a party, including agreements with any government entity, department, commission, board, agency, bureau, official, etc., sale agreements, agreements to sell, equipment purchase agreements, operation and maintenance contracts, hire purchase agreements, lending agreements and other agreements with the customers, sales orders, purchase orders and other agreements and contracts with the supplier of goods or service providers, insurance policies and all rights, title, interests, claims, privileges and benefits there under of whatsoever nature to which Amalgamating Company is a party and all other related rights of every kind and description whatsoever;
- (iv) intellectual property rights, registrations, trademarks, trade names, service marks, copyrights, patents, designs, technical know-how, domain names, including applications for trademarks, trade names, service marks, copyrights, designs, domain names and such other intellectual property rights, used by or held for use by Amalgamating Company, if any, whether or not recorded in the books of accounts of Amalgamating Company, and other intellectual rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, websites, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form, whether directly or indirectly relating to the business activities and operations of Amalgamating Company, whether used or held for use by it; and
- (v) permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, subsidies, tax deferrals, liberties, special status and benefits (including sales tax and service tax), sales tax credits, advance income tax, credit for tax deducted at source under the provisions of the Income-tax Act, 1961, income tax benefits and exemptions (including the right to claim tax holiday under the Income-tax Act, 1961), input tax credit under the provisions of the Central Goods and Services Tax Act, 2017 and Integrated Goods and Services Tax Act, 2017, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, whether statutory or otherwise, and any waiver of the foregoing, issued by any legislative, executive or judicial unit of any governmental or semi-governmental entity or any department, commission, board, agency, bureau, official or other regulatory, administrative or judicial authority used or held for use by Amalgamating Company;

1.3.3 “Appointed Date” means 01 April 2022 or such other date as may be approved by the Tribunal, being the date with effect from which this Scheme shall, post effectiveness of this Scheme, be operative, and the date with effect from which the Amalgamating Company shall, as a consequence of effectiveness of this Scheme, stand amalgamated into and with the Amalgamated Company;

1.3.4 “Board of Directors” in relation to the Amalgamating Company and, or, the Amalgamated Company, as the case may be, means their respective board of directors, and unless repugnant to the subject, context or meaning thereof, shall be

deemed to include every committee (including committee of directors) or any person authorised by the board of directors or by any such committee;

1.3.5 “Companies Act” means the Companies Act, 2013, rules and regulations made, and notifications issued, thereunder, and includes any alterations, modifications and amendments made thereto and, or, any re-enactment thereof;

1.3.6 “Effective Date” has the meaning assigned to such term in Clause 5.2. Any references in this Scheme to “upon this Scheme becoming effective”, “effectiveness of this Scheme” or “coming into effect of the Scheme” means and refers to the Effective Date;

1.3.7 “Scheme” means this Scheme of Amalgamation, along with all annexures, schedules, etc., as modified / amended from time to time in accordance with the provisions of applicable laws; and

1.3.8 “Tribunal” means the National Company Law Tribunal, Chennai Bench.

1.4 Interpretation

1.4.1 Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the meaning assigned to such terms and expressions under the Companies Act, and if not defined therein, then under other relevant statutes, such as the Income-tax Act, 1961 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof.

1.4.2 In this Scheme, unless the context otherwise requires:

- (i) references to “persons” includes individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- (ii) the headings, sub-headings and bold typeface are inserted only for ease of reference and shall not affect the construction or interpretation of this Scheme;
- (iii) the term “Clause” refers to the specified clause of this Scheme;
- (iv) reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to a legal provision includes any subordinate legislation made and regulations, rules and notifications issued from time to time under such a statutory provision or applicable to such a statutory provision;
- (v) references to one gender includes all genders; and
- (vi) words in the singular includes plural and vice versa.

PART – II

2 CAPITAL STRUCTURE

2.1 Amalgamating Company.

2.1.1 The capital structure of the Amalgamating Company, as of 31 January 2022 is as under:

Share Capital	Amount in Rs.
Authorised	
1,00,000 equity shares of Rs. 10 each	10,00,000
50,000 10% cumulative redeemable preference shares of Rs. 10 each	5,00,000
Total	15,00,000
Issued, Subscribed and Paid-up	
50,500 fully paid up equity shares of Rs. 10 each	5,05,000
Total	5,05,000

2.2 Amalgamated Company.

2.2.1 The capital structure of the Amalgamated Company, as of 31 January 2022 is as under:

Share Capital	Amount in Rs.
Authorised	
1,00,00,000 equity shares of Rs 10 each	10,00,00,000
80,00,000 preference shares of Rs. 100 each	80,00,00,000
Total	90,00,00,000
Issued, Subscribed and Paid-up	
24,83,066 fully paid up equity shares of Rs. 10 each	2,48,30,660
45,00,000 fully paid up preference shares of Rs. 100 each	45,00,00,000
Total	47,48,30,660

2.2.2 The shares of the Amalgamated Company are, at present, not listed on any stock exchange, whether in India or in any other jurisdiction.

2.3 Transfer of authorised share capital of the Amalgamating Company to Amalgamated Company.

2.3.1 Upon this Scheme becoming effective and with effect from the Appointed Date, the authorised share capital of the Amalgamating Company, aggregating to Rs.15,00,000 (Indian Rupees Fifteen Lakhs), shall stand transferred to and be merged with the authorised share capital of the Amalgamated Company.

2.3.2 Upon this Scheme becoming effective and with effect from the Appointed Date, and consequent to the transfer of the existing authorised share capital of the Amalgamating Company in accordance with Clause 2.3.1, the authorised share capital of the Amalgamated Company, i.e., Rs. 90,00,00,000 (Indian Rupees Ninety Crore) divided into 1,00,00,000 (One Crore) equity shares of Rs. 10 (Indian Rupees Ten) each and 80,00,000 (Eighty Lakh) Preference Shares of Rs. 100 (Indian Rupees Hundred) each shall stand enhanced by an aggregate amount of Rs. 15,00,000 (Indian Rupees Fifteen Lakhs), and the resultant authorised share capital of the Amalgamated Company shall be Rs. 90,15,00,000 (Indian Rupees Ninety Crores and Fifteen Lakhs), divided into 1,01,00,000 (One Crore and One Lakh) equity shares of Rs. 10 (Indian Rupees Ten) each and 80,05,000 (Eighty Lakh Five Thousand) preference shares of Rs.100 (Indian Rupees Hundred) each.

2.3.3 Accordingly, clause V of the memorandum of association of the Amalgamated Company shall stand modified and be substituted by the following:

“The Authorised Share Capital of the Company is Rs. 90,15,00,000 (Indian Rupees Ninety Crore and Fifteen Lakhs), divided into 1,01,00,000 (One Crore One Lakh) Equity Shares of Rs.10/- each and 80,05,000 (Eighty Lakh Five Thousand) Preference Shares of Rs.100/- each with power to increase, reduce, vary, alter or modify and divide, sub-divide or consolidate the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013 or provided by the Articles of Association of the Company, for the time being. The rights attached to the Preference Shares should be such as may be determined by the Directors at the time of issue thereof.”

For the avoidance of doubt, it is hereby clarified that, in case, the authorised share capital of the Amalgamated Company or the Amalgamating Company undergoes any change then Clause 2.3.2 shall stand modified/adjusted automatically, and without any further actions, to take into account the effect of such change.

2.4 Miscellaneous

The consent of the shareholders of the Amalgamating Company and the Amalgamated Company to this Scheme shall be sufficient for the purposes of effecting the amendments contemplated in Clauses 2.3 of this Scheme to the Memorandum of Association of the Amalgamated Company, and no additional resolution, whether under Sections 13 of the Companies Act, any other applicable provisions of the Companies Act or under the Articles of Association of the Amalgamated Company, shall be required to be separately passed, nor shall the Amalgamated Company be required to pay any additional registration fees, stamp duty, etc., in relation to such actions, including the increase in its authorised share capital of the Amalgamated Company, as all fees and stamp duty have already been paid by the Amalgamating Company.

PART – III

3 AMALGAMATION OF THE AMALGAMATING COMPANIES INTO AND WITH THE AMALGAMATED COMPANY

3.1 Transfer and vesting of assets and liabilities and entire business of the Amalgamating Company:

Upon this Scheme becoming effective and with effect from the Appointed Date, all the assets and liabilities, whether or not recorded in the books of accounts of the Amalgamating Company and including all future assets and liabilities, and the entire business of the Amalgamating Company, shall stand transferred to and vested in the Amalgamated Company, as a going concern, without any further act or deed, as per the provisions of this Scheme.

3.2 Without prejudice to the generality of the provisions of Clause 3.1, upon this Scheme becoming effective and with effect from the Appointed Date:

(ii) all assets of the Amalgamating Company, that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and, or, by endorsement and delivery or by vesting and recordal pursuant to this Scheme, stand vested in the Amalgamated Company and shall become the property and an integral part of the Amalgamated Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly;

(iii) all other movable properties of the Amalgamating Company, other than those described in sub-clause (i) above, including investments in shares and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Amalgamated Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. The Amalgamated Company may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor, that pursuant to the sanction of this Scheme by the Tribunal, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Amalgamated Company as the person entitled thereto, to the end and intent that the right of the Amalgamating Company to recover or realise all such debts (including the debts payable by such debtor or obligor to the Amalgamating Company) stands transferred and assigned to the Amalgamated Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. For the avoidance of doubt, it is hereby clarified that investments, if any, made by the Amalgamating Company and all the rights, title and interest of the Amalgamating Company in any licensed or leased movable properties shall, pursuant to Section 232(4) of the Companies Act, other applicable provisions of the Companies Act, and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company, unless the licensor or lessor of such licensed / leased movable properties is the Amalgamated Company, in which case, the relevant leases shall become redundant and shall cease to have any effect.

(iv) all immovable properties of the Amalgamating Company, if any, including the rights and interests in the immovable properties of the Amalgamating Company, and all documents of title, rights and easements in relation thereto stand transferred to and vested in and, or, be deemed to have been transferred to and vested in the Amalgamated Company, without any further act or deed done or being required to be done by the Amalgamating Company and, or, the Amalgamated Company. The Amalgamated Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties. The relevant governmental authorities shall grant all clearances /

permissions, if any, required for enabling the Amalgamated Company to absolutely own and enjoy the immovable properties in accordance with applicable laws. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company by the governmental authorities pursuant to the sanction of this Scheme by the Tribunal in accordance with the terms hereof;

- (v) all debts, liabilities, contingent liabilities, duties and obligations, whether secured or unsecured (including rupee, foreign currency loans, time and demand liabilities, undertakings and obligations of the Amalgamating Company), of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of account or disclosed in the balance sheets of the Amalgamating Company, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company without any further act, instrument or deed, and the Amalgamated Company shall meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause 3.2, and the approval of this Scheme by the shareholders and creditors of the Amalgamating Company and Amalgamated Company shall be deemed sufficient for the purposes of giving effect to the provisions of this Clause 3.2. All loans, advances and other obligations due from the Amalgamating Company to the Amalgamated Company or vice versa shall stand cancelled and have no effect;
- (vi) all contracts, deeds, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, letters of intent, bids, undertakings, whether written or otherwise, bonds, agreements, schemes, title, arrangements and other instruments, permits, rights, entitlements, licenses, including the licenses granted by any Governmental, statutory or regulatory bodies but excluding contracts between the Amalgamating Company and the Amalgamated Company, the relevant contracts shall become redundant and shall cease to have any effect, and other contract relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Amalgamating Company, or to the benefit of which, the Amalgamating Company may be eligible, shall be in full force and effect on, against or in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligor thereto. Without prejudice to the generality of the foregoing, all bank guarantees, performance guarantees and letters of credit, agreements with any government entity, department, commission, board, agency, bureau or official, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Amalgamating Company or to the benefit of which the Amalgamating Company may be eligible, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, by operation of law pursuant to the vesting orders of the Tribunal, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Amalgamated Company. In relation to the same, any procedural requirements required to be fulfilled solely by the Amalgamating Company (and not by any of its successors) shall be fulfilled by the Amalgamated Company as if it is the duly constituted attorney of the Amalgamating Company. All agreements entered into by the Amalgamating Company stand transferred and vested in favour of the Amalgamated Company on the same terms and conditions. The Amalgamated Company and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder. For the avoidance of doubt, it is hereby clarified that, in case of a contract exclusively between the Amalgamating Company and the Amalgamated Company, the said contract shall, unless otherwise deemed by the Board of Directors of the Amalgamated Company, become redundant and shall cease to have any effect upon the effectiveness of the Scheme;

- (vii) any notices, disputes, pending suits, appeals, taxation proceedings or other proceedings of whatsoever nature, including before any statutory or quasi-judicial authority or tribunal, if any, relating to the Amalgamating Company, whether by or against the Amalgamating Company, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of the Amalgamating Company or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Amalgamated Company in the same manner and to the same extent as would or might have been continued, prosecuted and, or, enforced by or against the Amalgamating Company, as if this Scheme had not been implemented;
- (viii) all employees of the Amalgamating Company shall become employees of the Amalgamated Company, on such terms and conditions as are overall / in aggregate no less favourable, than those on which they are engaged by the Amalgamating Company on the relevant date, without any interruption of service as a result of this amalgamation and transfer;
- (ix) the intellectual property rights of any nature whatsoever of the Amalgamating Company and all registrations, goodwill, licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks, appertaining to the Amalgamating Company stand transferred to and vested in the Amalgamated Company;
- (x) all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, goods and service tax, value added tax, banking cash transaction tax, sales tax, service tax, etc.), including any interest, penalty, surcharge and cess, if any, payable by or refundable to or being the entitlement of the Amalgamating Company, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Amalgamated Company, and any tax incentives, advantages, privileges, exemptions, credits (including input tax credit under Central Goods and Services Tax Act, 2017 and Integrated Goods and Services Tax Act, 2017), holidays, remissions, reductions, tax losses including brought forward business loss, unabsorbed depreciation etc., as would have been available to the Amalgamating Company, shall be available to the Amalgamated Company;
- (xi) the accounts of the Amalgamated Company as on the Appointed Date shall be reconstructed in accordance with the applicable provisions and terms of this Scheme. The Amalgamated Company shall be entitled to revise its income tax returns, wealth tax returns, tax deducted at source ("TDS") returns, and other statutory returns as may be required under respective statutes pertaining to indirect taxes, such as goods and service tax, sales-tax, value added tax, excise duties, service tax, etc.;
- (xii) all approvals, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, registrations, subsidies, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), authorization, pre-qualifications, bid acceptances, tenders and certificates of every kind and description whatsoever in relation to the Amalgamating Company, or to the benefit of which the Amalgamating Company may be eligible/entitled shall be in full force and effect in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto. For the avoidance of doubt, it is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause 3.2, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company. For this purpose, the Amalgamated Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes;

- (xiii) benefits of any and all corporate approvals as may have already been taken by the Amalgamating Company, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 42, 62, 180, 185, 186 and 188 of the Companies Act, and any other approvals under the Companies Act or Companies Act, 1956, stand transferred to the Amalgamated Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Amalgamated Company;
- (xiv) all bank accounts operated or entitled to be operated by the Amalgamating Company shall be deemed to have transferred and shall stand transferred to the Amalgamated Company and names of the Amalgamating Company shall be substituted by the name of the Amalgamated Company in the bank's records. The Amalgamated Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Amalgamating Company to the extent necessary until the transfer of the rights and obligations of the Amalgamating Company to the Amalgamated Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Amalgamating Company after the Effective Date, shall be accepted by the bankers of the Amalgamated Company and credited to the accounts of the Amalgamated Company, if presented by the Amalgamated Company. Similarly, the banker of the Amalgamated Company shall honour all cheques issued by the Amalgamating Company for payment after the Effective Date;
- (xv) all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Amalgamating Company shall be deemed to have been accrued to and, or, acquired for and on behalf of the Amalgamated Company and shall pursuant to the provisions of Section 232(4) of the Companies Act, other applicable provisions of the Companies Act, and the provisions of this Scheme, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Amalgamated Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Amalgamated Company;
- (xvi) all lease, license or rent agreements entered into by the Amalgamating Company with various landlords, owners and lessors (unless: (i) such a lease or license, as the case may be, has been terminated before the Effective Date and such termination has taken effect before the Effective Date, in which case, the relevant leases or licenses shall become redundant and shall cease to have any effect upon the effectiveness of the Scheme; or (ii) such lease, license or rent agreements have been entered into between the Amalgamating Company and the Amalgamated Company, in which case, the relevant agreements shall become redundant and shall cease to have any effect), together with all rights and interests in lease / licensed properties, security deposits and advance/prepaid lease/ license fee, etc., stand automatically transferred and vested in favour of the Amalgamated Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Amalgamated Company shall continue to pay rent, or lease or license fee as provided for in such agreements, and the Amalgamated Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants thereunder. Without limiting the generality of the foregoing, the Amalgamated Company shall also be entitled to refund of security deposits paid under any lease, license or rent agreement by the Amalgamating Company; and
- (xvii) all electricity connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities to the Amalgamating Company, together with security deposits and all other advances paid, stand automatically transferred and vested in favour of the Amalgamated Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The relevant electricity companies, boards, agencies and authorities shall issue invoices in the name of the Amalgamated

Company with effect from the billing cycle commencing from the month immediately succeeding the month in which an intimation of the approval of this Scheme by the Court is filed by the Amalgamated Company with them. The Amalgamated Company and the relevant electricity companies, boards, agencies and authorities shall continue to comply with the terms, conditions and covenants associated with the grant of such connection. Without limiting the generality of the foregoing, the Amalgamated Company shall also be entitled to refund of security deposits paid to or placed with such electricity companies, boards, agencies, municipal corporation, statutory and other authorities by the Amalgamating Company.

- 3.3 Upon this Scheme becoming effective and the consequent amalgamation of the Amalgamating Company into and with the Amalgamated Company, the secured creditors of the Amalgamated Company shall only continue to be entitled to security over such properties and assets forming part of the Amalgamated Company, as existing immediately prior to the amalgamation of the Amalgamating Company into and with the Amalgamated Company and the secured creditors of the Amalgamating Company, if any, shall continue to be entitled to security over such properties, assets, rights, benefits and interest of and in the Amalgamating Company, as existing immediately prior to the amalgamation of such Amalgamating Company into and with the Amalgamated Company. For the avoidance of doubt, it is hereby clarified that all the assets of the Amalgamated Company and the Amalgamating Company which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any new indebtedness that may be incurred by the Amalgamated Company. For this purpose, no further consent from the existing secured creditors shall be required and sanction of this Scheme shall be considered as a specific consent of such secured creditors.
- 3.4 The Amalgamated Company may, at any time after this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Amalgamating Company, if deemed necessary by it, and as a matter of process, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which any of the Amalgamating Company has been a party, including any filings with the governmental authorities, in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company inter alia in its capacity as the successor entity of the Amalgamating Company. The Amalgamating Company and Amalgamated Company, as the case may be, shall make appropriate filings with the governmental authorities in order to give formal effect to the above provisions, and the relevant governmental authorities shall take on record the same, and shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company upon this Scheme becoming effective in accordance with the terms hereof.
- 3.5 The Amalgamated Company shall, at any time after this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Amalgamating Company, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by such Amalgamating Company. For the avoidance of doubt, it is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company pursuant to the sanction of this Scheme by the Tribunal, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Amalgamated Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. The Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamating Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard inter alia in its capacity as the successor entity of the Amalgamating Company.

3.6 Conduct of business till Effective Date

- 3.6.1 Until the Effective Date, the Amalgamating Company agrees and undertakes that it shall carry on its business in ordinary course of business and as per past practices. On and from the Appointed Date:
- (i) the Amalgamating Company shall be deemed to have carried on all business activities and stand possessed of its properties and assets, for and on account of and in trust for the Amalgamated Company, and all assets which are acquired by the Amalgamating Company on or after the Appointed Date shall be deemed to be the assets of the Amalgamated Company; and
 - (ii) all profits or income arising or accruing in favour of or received by the Amalgamating Company and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, etc.) or losses arising or incurred by the Amalgamating Company shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Amalgamated Company.
- 3.6.2
- (i) With effect from the Effective Date, the Amalgamated Company shall be authorized and entitled to carry on and shall carry on the business of the Amalgamating Company.
 - (ii) For the purpose of giving effect to the amalgamation order passed under Sections 230 to 232 of the Companies Act and other applicable provisions of the Companies Act in respect of this Scheme by the Tribunal, the Amalgamated Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Amalgamating Company, in accordance with the provisions of Sections 230 to 232 of the Companies Act and other applicable provisions of the Companies Act. The Amalgamated Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Tribunal.
 - (iii) The Amalgamated Company shall be entitled, pending the sanction of this Scheme, to apply to the governmental authorities and all other agencies, departments and authorities concerned as are necessary under applicable law for such consents, approvals and sanctions which the Amalgamated Company may require to carry on the business of the Amalgamating Company upon this Scheme becoming effective.
- 3.6.3 Where any of the debts, liabilities, duties and obligations incurred before the Appointed Date by the Amalgamating Company, deemed to have been transferred to the Amalgamated Company by virtue of this Scheme, have been discharged by the Amalgamating Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Amalgamated Company.
- 3.6.4 The Amalgamating Company and the Amalgamated Company shall be entitled to declare and pay dividends, whether interim and/or final, to their respective shareholders prior to the Effective Date, but only in the ordinary course of business. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the either of Amalgamating Company or the Amalgamated Company to demand or claim any dividends.
- 3.6.5 The Amalgamated Company and the Amalgamating Company shall be entitled, pending the sanction of this Scheme, to increase or alter in any other manner their respective authorized, issued, subscribed and paid-up share capital as may be required by the respective business requirements or for ensuring compliance with applicable laws.
- 3.6.6 Upon this Scheme becoming effective, the Amalgamating Company shall stand dissolved, without any further act or deed, without being wound-up.

PART – IV

4 CHANGE IN SHARE CAPITAL, CONSIDERATION AND ACCOUNTING TREATMENT

4.1 Change in Share Capital

In consideration of the provisions of Part – III of this Scheme and as an integral part of this Scheme, the share capital of the Amalgamated Company shall be restructured in the manner set forth in this Clause 4.

4.2 Cancellation of Shareholding

4.2.1 Upon this Scheme becoming effective and in consideration of the transfer and vesting of all assets and liabilities of the Amalgamating Company into and with the Amalgamated Company in accordance with Part - III of this Scheme, no shares shall be allotted by the Amalgamated Company to itself or to any of its nominee shareholders holding shares in the Amalgamating Company. All equity shares and other securities of the Amalgamating Company held by the Amalgamated Company (either directly or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or payment made in cash whatsoever to the Amalgamated Company in lieu of such securities of the Amalgamating Company.

4.2.2 Upon this Scheme becoming effective, in the (consolidated/merged) balance sheet of the Amalgamated Company, investments of the Amalgamated Company being shares and other securities, if any, held in the Amalgamating Company, whether held in its own name or through nominee shareholders, shall stand cancelled in entirety without any consideration and without any further act or deed and without any liability towards capital gains tax under the Income-tax Act, 1961. The shares or the share certificates of the Amalgamating Company in relation to the shares held by the Amalgamated Company, shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect without any necessity of them being surrendered.

4.3 Accounting Treatment

4.3.1 Accounting Treatment in the books of the Amalgamated Company:

- (i) The Amalgamating Company is a wholly owned subsidiary of the Amalgamated Company. The amalgamation proposed in this Scheme being a business combination involving entities or businesses under common control. Accordingly, upon this Scheme becoming effective, the Amalgamated Company shall account for the amalgamation in its books of account in accordance with the method of accounting as prescribed under 'pooling of interest' method in Appendix C of Indian Accounting Standard (Ind AS) 103 on accounting for business combinations, issued by the Ministry of Corporate Affairs and any clarifications issued in this regard.
- (ii) The accounting treatment in the books of the Amalgamated Company shall be as under:
 - (a) upon this Scheme becoming effective, for the purpose of accounting for and dealing with the value of the assets, liabilities, reserves, etc., in the books of account of the Amalgamated Company, financial statements of the Amalgamating Company shall be prepared as per the applicable Ind AS;
 - (b) all the assets, liabilities and reserves of the Amalgamating Company, as recorded in their respective financial statements referred to in sub-clause (i) above, shall be recorded in the books of accounts of the Amalgamated Company at the existing carrying amounts and in the same form. No adjustments shall be made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that may be made are to harmonise accounting policies / ensure uniformity of accounting policies. The Amalgamated Company shall also record in its books of accounts, all transactions of the Amalgamating Company in respect of assets, liabilities, income and expenses as per the applicable Ind AS;

- (c) investment in the share capital of the Amalgamating Company shown in the books of accounts of the Amalgamated Company shall stand cancelled;
 - (d) any inter-company payables / receivables (including loans, advances or debtors, creditors etc.) between the Amalgamating Company and the Amalgamated Company, appearing in the books of account of the Amalgamated Company and the Amalgamating Company, shall stand cancelled without any further act or deed. For the avoidance of doubt, it is hereby clarified that with effect from Appointed Date, there will be no accrual of interest or other charges in respect of any loans, advances and other obligations as between the Amalgamating Company and the Amalgamated Company;
 - (e) the financial information in the financial statements in respect of prior periods would be restated as if the business combination contemplated in this Scheme has occurred from the beginning of the earliest period presented in the financial statements, irrespective of the actual date of the combination. However, if business combination contemplated in this Scheme occurs after that date, the prior period information would be restated only from that date.
 - (f) the difference, if any, the amount recorded as share capital issued by the Amalgamated Company in terms of this Scheme and the amount recorded as share capital of the Amalgamating Companies (after adjustment of cancellation of the investment of Amalgamated Company in the Amalgamating Companies), shall be, in case of excess, recognized as goodwill in the financial statements of the Amalgamated Company; in case of any deficiency, the same shall be treated capital reserve in the books of the Amalgamated Company and such goodwill/capital reserve shall be presented separately from other goodwill/capital reserves with disclosure of its nature and purpose in the notes to financial statements of the Amalgamated Company;
 - (g) the balance of the retained earnings appearing in the financial statements of the Amalgamating Company would be aggregated with the corresponding balance appearing in the financial statements of the Amalgamated Company. Alternatively, it may be transferred to General Reserve, if any; and
 - (h) the difference, if any, between the value of total assets and total liabilities (including reserves) of the Amalgamating Company as recorded in its financial statements mentioned above, shall be recorded as per the applicable Indian accounting standard.
- (iii) The identity of the reserves of the Amalgamating Companies, if any, and to the extent deemed appropriate by the Board of Directors of the Amalgamated Company, shall be preserved and they shall appear in the financial statements of the Amalgamated Company in the same form and manner, in which they appeared in the financial statements of the relevant Amalgamating Companies, as on the date immediately preceding the Appointed Date. Accordingly, if prior to this Scheme becoming effective there is any reserve in the financial statements of the Amalgamating Companies, which are available for distribution to shareholders, whether as bonus shares or dividend or otherwise, the same would continue to remain available for such distribution by the Amalgamated Company, subsequent to this Scheme becoming effective.
 - (iv) In case of any differences in accounting policies followed by the Amalgamating Companies from that of the Amalgamated Company, impact of the same till the date immediately preceding the Appointed Date will be quantified and be appropriately adjusted and reported in accordance with applicable accounting rules and principles in the books of the Amalgamating Companies, so as to ensure that the financial statements of the Amalgamated Company reflect the financial position on the basis of consistent accounting policies.

4.3.2 Accounting Treatment in the books of the Amalgamating Company:

There shall be no accounting treatment in the books of the Amalgamating Company as the Amalgamating Company will be amalgamated into the Amalgamated Company and shall stand dissolved, without being wound-up, upon this Scheme becoming effective.

PART – V

5 GENERAL TERMS AND CONDITIONS

5.1 Tax related provisions

- 5.1.1 This Scheme, has been drawn up to comply with: (i) the conditions relating to 'Amalgamation' as specified under the tax laws, specifically Section 2(1B) of the Income-tax Act, 1961, and (ii) all relevant sections of the Income-tax Act, 1961. If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the tax laws shall prevail. This Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of this Scheme. Notwithstanding the other provisions of this Scheme, the power to make such amendments/modifications as may become necessary, shall vest with the Board of Directors of the Amalgamated Company and the Amalgamating Company, which power shall be exercised reasonably in the best interests of the companies concerned and their shareholders, and which power can be exercised at any time, whether before or after the Effective Date.
- 5.1.2 Upon this Scheme becoming effective, all tax liabilities under the Income-tax Act, 1961, goods and service tax laws and other applicable laws/regulations dealing with taxes/duties/levies allocable or related to the business of the Amalgamating Company shall stand transferred to and be vested in the Amalgamated Company.
- 5.1.3 Notwithstanding anything to the contrary contained in the provisions of this Scheme, the Amalgamated Company shall be entitled to carry forward, avail of, or set-off any unabsorbed tax losses, unabsorbed tax depreciation, credits for minimum alternate tax and input tax credits of the Amalgamating Company that remain unutilized as on the Appointed Date. Further, any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions as would have been available to the Amalgamating Company on or before Appointed Date shall be available to the Amalgamated Company.
- 5.1.4 Upon this Scheme becoming effective, the Amalgamated Company shall be entitled to claim refunds or credits, including input tax credits, with respect to taxes paid by, for, or on behalf of, the Amalgamating Company under applicable laws, including but not limited to income tax, sales tax, value added tax, service tax, CENVAT, input tax credit under Central Goods and Services Act, 2017 and Integrated Goods and Services Tax Act, 2017 or any other tax arising due to any inter se transaction between the Amalgamating Company and the Amalgamated Company ("Identified Transactions"), even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, it is hereby clarified that input tax credits already availed of or utilised by the Amalgamating Company and the Amalgamated Company in respect of Identified Transactions shall not be adversely impacted by the cancellation of such Identified Transactions pursuant to this Scheme.
- 5.1.5 Upon this Scheme becoming effective, any advance tax, self-assessment tax, minimum alternate tax and, or, TDS credit available or vested with the Amalgamating Company, including any taxes paid and taxes deducted at source and deposited by the Amalgamating Company in regard to Identified Transactions during the period between Appointed Date and the Effective Date shall be treated as tax paid by the Amalgamated Company and shall be available to the Amalgamated Company for set-off against its liability under the Income-tax Act, 1961 and any excess tax so paid shall be eligible for refund together with interest. Further, TDS deposited, TDS certificates issued or TDS returns filed by the Amalgamating Company on transactions shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Amalgamated Company. Any TDS deducted by, or on behalf of, the Amalgamating Company in regard to Identified Transactions shall be treated as tax deposited by the Amalgamated Company.
- 5.1.6 Upon this Scheme becoming effective, any service tax or any other tax charged by, for, or on behalf of, the Amalgamating Company on Identified Transactions and in respect of which CENVAT credit or any Input Tax Credit is not available or

has not been claimed by the Amalgamating Company, shall be treated as service tax paid in cash by the Amalgamated Company, without any further action on the part of the Amalgamating Company and the Amalgamated Company.

- 5.1.7 The Amalgamated Company is expressly permitted to file or revise its corporate income tax, TDS, wealth tax, service tax, excise, VAT, entry tax, professional tax, goods and service tax or any other statutory returns, statements or documents, credit for advance tax paid, tax deducted at source, claim for sum prescribed under Section 43B of the Income-tax Act, 1961 on payment basis, deduction for provisions written back by the Amalgamated Company previously disallowed in the hands of the Amalgamating Company under the Income-tax Act, 1961, credit of tax paid under Section 115JB read with Section 115JAA of the Income-tax Act, 1961, credit of foreign taxes paid/withheld etc., if any, pertaining to the Amalgamating Company upon this Scheme becoming effective, and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. The Amalgamated Company is expressly permitted to amend, if required, its TDS/tax collected at source or other statutory certificates and shall have the right to claim refunds, tax credits, set-offs and, or, adjustments relating to its income or transactions entered into by it with effect from Appointed Date. The taxes or duties paid by, for, or on behalf of, the Amalgamating Company relating to the period on or after Appointed Date shall be deemed to be the taxes or duties paid by the Amalgamated Company and the Amalgamated Company shall be entitled to claim credit or refund for such taxes or duties.

5.2 Effective Date

This Scheme shall become effective on the last date on which certified copies of the order(s) of the Tribunal approving this Scheme are filed by the Amalgamating Company and Amalgamated Company with the Registrar of Company (“**Effective Date**”).

5.3 Sequencing of Events

Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date, and shall be deemed to have become effective and operative only in the sequence and in the order mentioned hereunder:

- (i) amalgamation of the Amalgamating Company into and with the Amalgamated Company in accordance with Part - III of this Scheme, the consummation of all actions necessary to appropriately record such an amalgamation in records of the Amalgamated Company;
- (ii) transfer of the authorised share capital of the Amalgamating Company to the Amalgamated Company as provided in Clause 2.2, and consequential increase in the authorised share capital of the Amalgamated Company as provided thereunder;
- (iii) cancellation of the shares of the Amalgamating Company held by the Amalgamated Company in terms of Clause 4.2.2 of this Scheme; and
- (iv) dissolution of Amalgamating Company without winding-up.

5.4 Modifications to this Scheme and removal of difficulties

- 5.4.1 The Amalgamated Company and the Amalgamating Company, acting through their respective Boards of Directors, may:
- (i) assent to any modifications or amendments to this Scheme, which the Tribunal and, or, any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise during the course of sanction and, or, giving effect and, or, implementing this Scheme, or (ii) waive any of the requirements of this Scheme, where such waiver is necessary or desirable for settling any question or doubt or difficulty that may arise during the course of sanction and, or, giving effect and, or, implementing this Scheme,

provided such waiver is in the interest of the Amalgamated Company and the Amalgamating Company. The Amalgamated Company, acting through its Board of Directors, be and is hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any orders of the Tribunal or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and, or, any matters concerning or connected therewith.

5.4.2 In case, post approval of the Scheme by the Tribunal, there is any ambiguity in interpreting any Clause of this Scheme, or otherwise, the Board of Directors of the Amalgamating Company and the Amalgamated Company shall have complete power to take the most sensible interpretation so as to render the Scheme operational.

5.4.3 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Amalgamating Company and the Amalgamated Company and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.

5.5 Withdrawal of this Scheme

Notwithstanding anything else to the contrary in this Scheme, the Amalgamated Company and the Amalgamating Company, acting through its respective Boards of Directors, shall be at liberty to withdraw from this Scheme for any reason as they deem fit, including in case any condition or alteration imposed by the Tribunal or any other authority is not acceptable to them.

5.6 Binding Effect

Upon this Scheme becoming effective, it shall be binding on the Amalgamating Company, the Amalgamated Company, their respective shareholders, creditors and all other stakeholders. In the event of any conflict or inconsistency between the provisions of this Scheme and any of the terms and conditions of any arrangement, agreement or contract subsisting on the Effective Date between the Amalgamating Company, Amalgamated Company, and, or, their shareholders, creditors and other stakeholders, then the provisions of this Scheme shall prevail insofar as such conflict or inconsistency is concerned.

5.7 Severability

If any part of this Scheme is invalid, ruled illegal by any court/governmental authority, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Amalgamated Company and the Amalgamating Company, acting through their respective Boards of Directors, shall attempt to bring about appropriate modification to this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.

5.8 Miscellaneous

5.8.1 The transfer of properties and liabilities to, and the continuance of proceedings by or against the Amalgamated Company, as envisaged in Part - III above shall not affect any transaction or proceedings already concluded by the Amalgamating Company on or before Appointed Date, and after Appointed Date till the Effective Date, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Company in respect thereto as done and executed on behalf of itself.

5.8.2 The provisions of this Scheme shall be applicable and come into operation from the Appointed Date, although this Scheme shall become effective only on the Effective Date.

5.8.3 Upon this Scheme becoming effective, the resolutions, if any, of the Amalgamating Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Amalgamated Company and if any such resolutions have any monetary limits approved under the provisions of the Companies Act, or

any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company and shall constitute the aggregate of the said limits in the Amalgamated Company.

- 5.8.4 Without prejudice to the generality of other provisions of this Scheme and notwithstanding anything to the contrary contained in this Scheme, the Board of Directors of the Amalgamated Company shall have the option and shall be entitled to make suitable accounting entries at the time of closing of the books of accounts for the first financial year post the effectiveness of this Scheme as they may deem fit to give effect to the intent herein.
- 5.8.5 Upon this Scheme becoming effective, the shareholders of the Amalgamating Company and the Amalgamated Company shall be deemed to have also accorded their approval under all relevant provisions of the Companies Act for giving effect to the provisions contained in this Scheme.
- 5.8.6 The Amalgamated Company and, or, the Amalgamating Company, shall, with all reasonable dispatch, make respective applications to the Tribunal, under Sections 230 to 232 of the Companies Act and other applicable provisions of the Companies Act, seeking orders for dispensing with or convening, holding and, or, conducting of the meetings of the classes of their respective shareholders and, or, creditors and for sanctioning this Scheme with such modifications, as may be approved by the Tribunal.
- 5.8.7 Upon this Scheme becoming effective, the shareholders and creditors of both, the Amalgamated Company and the Amalgamating Company, shall be deemed to have also accorded their approval under all relevant provisions of the Companies Act, for giving effect to the provisions contained in this Scheme.

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH - II, CHENNAI**

Under Sections 230 to 232 of the Companies Act, 2013

In the matter of *Scheme of Amalgamation*

CA(CAA)/66(CHE)/2022

ACORN ENGINEERING LIMITED,
(CIN: U74210TN1978PLC150933),

A Company incorporated under the Companies Act, 1956,
having its Registered Office at
3, Madurai Melakkal Road,
Kochadai, Madurai, Tamil Nadu – 625 016.

... Applicant /
Transferor Company

Along With

J.K. FENNER (INDIA) LIMITED
(CIN: U24231TN1992PLC06230)

A Company incorporated under the Companies Act, 1956,
having its Registered Office at
3, Madurai Melakkal Road,
Madurai, Tamil Nadu – 625 016

... Applicant /
Transferee Company

Along with

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Order Pronounced on 4th November 2022

CORAM

Dr.DEEPTI MUKESH MEMBER (JUDICIAL)
SAMEER KAKAR, MEMBER (TECHNICAL)

For Applicant(s): Preeti Mohan, Advocate
R.Ragha Sudha, Advocate
Akhila J, Advocate

COMMON ORDER

Per: SAMEER KAKAR, MEMBER (TECHNICAL)

This is a joint application filed by the Applicant Companies,
namely **ACORN ENGINEERING LIMITED** (for brevity "Transferor

Company"), **J.K. FENNER (INDIA) LIMITED** (for brevity Transferee Company) under section 230-232 of Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Scheme of Amalgamation (hereinafter referred to as the "SCHEME") proposed by the Applicant Companies. The said Scheme is also appended as "**Annexure – 12**" to the CA(CAA)/66(CHE)/2022.

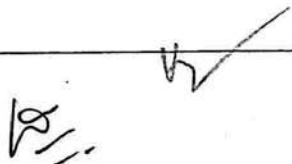
2. The Applicant Companies in this Company Application has sought for the following reliefs;

	EQUITY SHAREHOLDERS	PREFERENCE SHAREHOLDERS	SECURED CREDITORS	UNSECURED CREDITORS
TRANSFEROR COMPANY	To dispense with the meeting	NIL	NIL	NIL
TRANSFEEEE COMPANY	To convene the meeting	To dispense with the meeting	To dispense with the meeting	To convene the meeting

3. An affidavit in support of the present Application sworn for and on behalf of the Applicant Companies are listed hereunder: -

- i) **Mr.Vidya Charan Shukla** on behalf **Transferor Company** in the capacity of the authorized signatory.
- ii) **Mr.R.Vijayaraghavan** on behalf **Transferee Company** in the capacity of the authorized signatory.

and it is also represented that the Registered offices of both the Applicant Companies are situated within the territorial jurisdiction



of the Bench of this Tribunal and falling within the purview of Registrar of Companies, Chennai.

4. Transferor Company is an unlisted public Limited company, incorporated under the provisions of Companies Act, 1956 on 11.08.1978. The Authorized Share Capital of the Transferor Company as on 31.03.2022 as follows:

PARTICULARS	AMOUNT IN RS.
<u>AUTHORISED CAPITAL</u>	10,00,000
1,00,000 equity shares of Rs.10 each	
50,000 10% cumulative redeemable preference shares of Rs.10 each	5,00,000
TOTAL	15,00,000
<u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</u>	5,05,000
50,500 fully paid up equity shares of Rs.10 each.	
TOTAL	5,05,000

5. The Transferee Company is a public limited company incorporated under the provisions of Companies Act, 1956 on 09.04.1992. The Authorized Share Capital of the Transferee Company as on 31.03.2022 as follows:

PARTICULARS	AMOUNT IN RS.
<u>AUTHORISED CAPITAL</u>	
1,00,00,000 equity shares of Rs.10 each	10,00,00,000
80,00,000 preference shares of Rs.100 each	80,00,00,000
TOTAL	90,00,00,000
<u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</u>	
24,83,066 fully paid up equity shares of Rs.10 each.	2,48,30,660

45,00,000 fully paid up equity shares of Rs.100 each	45,00,00,000
TOTAL	47,48,30,660

6. The Applicant companies have filed their respective Memoranda and Articles of Association inter alia delineating their object clauses. The Applicant Companies have filed audited financial Statements for the year ended as on 31.03.2022.

7. The Board of Directors of the Transferor Company in meeting held on 25.01.2022 and the Transferee Company in meeting held on 31.01.2022 have unanimously approved the proposed Scheme as contemplated above and copies of resolutions passed thereon have been placed on record by the companies.

8. The Appointed date as specified in the Scheme is **01.04.2022**, or such other date as may be approved by this Tribunal.

9. The Statutory Auditors of both the Applicant Companies have certified that the Accounting Standards are in compliance with Section 133 of the Companies Act, 2013.

10. With respect to Transferor Company, it is submitted as under:

- (i) There are **7** (Seven) Equity Shareholders and list of shareholders to this effect is placed on record with the application and consent by way of Affidavit given by all the Equity Shareholders is also placed on record of

Additional Documents filed and has sought for dispensation of holding of meeting.

- (ii) There is **NIL** Secured Creditor and the certificate issued by the Chartered Accountant to this effect is placed along with the application. Hence the necessity of Convening, holding and conducting the meeting does not arise.
- (iii) There is **NIL** Unsecured Creditor and the certificate issued by the Chartered Accountant to this effect is filed along with the application. Hence the necessity of Convening, holding and conducting the meeting does not arise.

11. With respect to Transferee Company, it is submitted as under:

- (i) There are **54** (Fifty-Four) Equity Shareholders and list of shareholders to this effect is filed with the application and has sought for convening / holding of the meeting.
- (ii) There is **1** (One) Preference Shareholder and certificate this effect is filed with the application and consent by way of Affidavit given by the Preference Shareholder is placed on record and has sought for dispensation of holding of meeting.
- (iii) There are **3** (Three) Secured Creditors and the certificate issued by the Chartered Accountants to this effect is filed with the application. Consent affidavits given the creditors are placed on record and sought for dispensation with holding of meeting.
- (iv) There are 911 (Nine Hundred and Eleven) Unsecured Creditors (depositors + loan from bank + Sundry Creditors) and the certificate issued by the Chartered

Accountants to this effect is filed with the application and has sought for convening, holding and conducting of the meeting.

12. Taking into consideration the application filed by the Applicant Companies and the documents filed therewith this Tribunal issues the following directions: -

A) IN RELATION TRANSFEROR COMPANY:

(i) With respect to Equity shareholders:

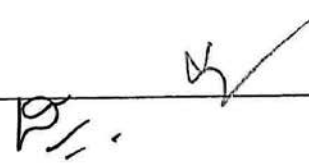
Since, it is represented by Transferor Company that there are **7** (Seven) Equity Shareholders in the Company whose consents by way of affidavits have been obtained and are placed on record, the necessity of convening and holding a meeting to consider and if thought fit, for approval of the scheme is ***dispensed with.***

(ii) With respect to Secured Creditors:

Since it is represented by the Transferor Company that there is **NIL** Secured Creditor in the Company, hence the necessity of Convening, holding and conducting a meeting ***does not arise.***

(iii) With respect to Unsecured Creditors:

Since it is represented by the Transferor Company that there is **NIL** Unsecured Creditor in the Company, hence the necessity of Convening, holding and conducting a meeting ***does not arise.***



B) IN RELATION TO TRANSFeree COMPANY:

(i) With respect to Equity shareholders:

Since it is represented by the Transferee Company that there are **54** (Fifty Four) Equity shareholders in the Company. Meeting of the Equity Shareholders of the Transferee Company is directed to be held at **11.30 AM** on **16.12.2022** at the registered office of Transferee Company or through Video Conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices.

(ii) With respect to Preference Shareholders:

Since, it is represented by Transferee Company that there is **1** (one) Preference Shareholder in the Company whose consents by way of affidavit has been obtained and is placed on record, the necessity of convening and holding a meeting to consider and if thought fit, the approval of the scheme is ***dispensed with.***

(iii) With respect to Secured Creditors:

Since, it is represented by Transferee Company that there are **3** (Three) Secured Creditors in the Company whose consents by way of affidavits have been obtained and are placed on record, the necessity of convening and holding a meeting to consider and if thought fit, the approval of the scheme is ***dispensed with.***

(i) With respect to Unsecured Creditors:

Since it is represented that there are **911** (Nine Hundred and Eleven) Unsecured Creditors in the Transferor Company.

Meeting of the Unsecured Creditors of the Transferor Company is directed to be held at **02:30 PM** on **16.12.2022** at the registered office of the Transferor Company or through Video Conferencing or if not convenient at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices.

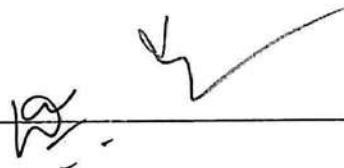
13. The quorum for the meetings of the Transferee Company shall be as follows;

COMPANY	CLASS	QUORUM
TRANSFEREE COMPANY	EQUITY SHAREHOLDERS	5
	UNSECURED CREDITORS	90

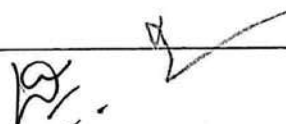
- i) The Chairperson appointed for the above said meeting shall be **M.S.Elamathi**, (Mobile No.7358589489) and would be entitled to fee of **Rs.30,000/-**.
- ii) **Ms. Apla Jain, PCS** (Mobile No. 8320068330) and is appointed as a Scrutinizer would be entitled to fee of **Rs.25,000/-**. The Chairperson(s) will file the reports of the meeting within a week from the date of holding of the above said meetings.
- iii) In case the quorum as noted above, for the above meeting of the Applicant Companies is not present at the meeting, then the meeting shall be adjourned by half an hour, and thereafter the person(s) present and voting shall be deemed to constitute the quorum. For the purpose of computing the quorum the valid proxies shall also be considered, if the proxy in the prescribed form,

duly signed by the person entitled to attend and vote at the meeting, is filed with the registered office of the applicant companies at least 48 hours before the meeting. The Chairperson and Alternate Chairperson appointed herein along with Scrutinizer shall ensure that the proxy registers are properly maintained. However, every endeavour should be made by the applicant companies to attain at least the quorum fixed, if not more in relation to approval of the scheme.

- iv) The meetings shall be conducted as per applicable procedure prescribed under the MCA Circular MCA General Circular Nos. (i) 20/2020 dated 5th May, 2020 (AGM Circular), (ii) 14/2020, dated 08.04.2020 (EGM Circular-I) and (iii) 17/2020 dated 13.04.2020 (EGM Circular-II); voting by proxy not allowed if the meetings are held through video conferencing.
- v) That individual notices of the above said meetings shall be sent by the Applicant Company through registered post or speed post or through courier or e-mail, 30 days in advance before the scheduled date of the meeting, indicating the day, date, the place and the time as aforesaid, together with a copy of Scheme, copy of explanatory statement, required to be sent under the Companies Act, 2013 and the prescribed form of proxy shall also be sent along and in addition to the above any other documents as may be prescribed under the Act or rules may also be duly sent with the notice.



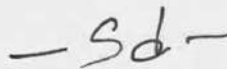
- vi) That the Applicant Company shall publish advertisement with a gap of atleast 30 clear days before the aforesaid meetings, indicating the day, date and the place and time as aforesaid, to be published in the English Daily "*Financial Express*" (All India Edition), and "*Malai Malar*" *Tamil* (Tamil Nadu Edition) in Vernacular stating the copies of Scheme, the Explanatory Statement required to be furnished pursuant to Section 230 of the Companies Act, 2013 and the form of proxy shall be provided free of charge at the registered office of the respective Applicant Companies.
- vii) The Chairperson shall be responsible to report the result of the meeting within a period of 3 days of the conclusion of the meeting with details of voting on the proposed scheme. Voting % of creditors as per list is to be decided after considering the amount of debt as on the date of voting, which is to be considered by the Chairperson.
- viii) Applicant companies shall individually send notice to concerned Regional Director, MCA, Registrar of Companies Chennai, Official Liquidator, The Reserve Bank of India and the Income Tax Authorities, as well as other Sectoral regulators who may have significant bearing on the operation of the applicant companies or the Scheme *per se* along with copy of required documents and disclosures required under the provisions of Companies Act, 2013 read with Companies (Compromises, Arrangements, Amalgamations) Rules, 2016.
- ix) The applicant companies shall further furnish copy of the Scheme free of charge within 1 day of any requisition for



the Scheme made by every creditor or member of the applicant companies entitled to attend the meetings as aforesaid.

- x) The Authorized Representative of the Applicant Companies shall furnish an affidavit of service of notice of meetings and publication of advertisement and compliance of all directions contained herein at least a week before the proposed meetings.
- xi) All the aforesaid directions are to be complied with strictly in accordance with the applicable law including forms and formats contained in the Companies (Compromises, Arrangements, Amalgamations) Rules, 2016 as well as the provisions of the Companies Act, 2013 by the Applicants.

14. The Applications stand **allowed** on the aforesaid terms.



SAMEER KAKAR
MEMBER (TECHNICAL)



Dr. DEEPTI MUKESH
MEMBER (JUDICIAL)

Gopishankar.D

**NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH - II
CHENNAI**

**ATTENDANCE CUM ORDER SHEET OF THE HEARING OF NATIONAL
COMPANY LAW TRIBUNAL, CHENNAI BENCH, HELD ON 07-12-2022
AT 10.30 A.M. THROUGH VIDEO CONFERENCING:**

**PRESENT : DR. DEEPTI MUKESH, HON'BLE MEMBER (JUDICIAL)
SHRI SAMEER KAKAR, HON'BLE MEMBER (TECHNICAL)**

APPLICATION NUMBER	: IA(CA)/100(CHE)2022
PETITION NUMBER	: CA(CAA)/66(CHE)2022
NAME OF THE PETITIONER	: Acorn Engineering Limited And J.K. Fenner (India) Limited
NAME OF THE RESPONDENT(S)	: --
UNDER SECTION	: Rule 11 r/w Rule 34 of NCLT Rules, 2016

ORDER

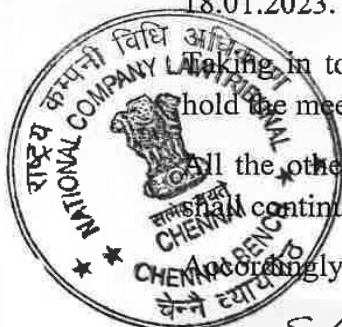
Ld. Counsel Ms. Preeti Mohan appears for the Applicant.

This application has been filed to refix the date of meeting of equity shareholders and unsecured creditors of the transferee company. It is stated that the order dated 04.11.2022 in CA(CAA)/66(CHE)/2022 could not be complied as the same was received later. The company has since requested to refix the date of meeting/s as 18.01.2023.

Taking in to consideration the representations made, company is permitted to hold the meetings on 18.01.2023.

All the other terms and conditions as contained in the order dated 04.11.2022 shall continue.

Accordingly, this Application stands **allowed and disposed of**.



SAMEER KAKAR
Member (Technical)

Phk

DR. DEEPTI MUKESH
Member (Judicial)

Certified to be True Copy

13/12/2022

DEPUTY REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
CORPORATE BHAVAN, 3rd FLOOR,
29, RAJAJI SALAI, CHENNAI-600001

Report adopted by the Board of Directors of Acorn Engineering Limited in accordance with Section 232(2)(c) of the Companies Act, 2013 read with Rule 6(3)(vi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in its meeting held on Tuesday, 25th January 2022 at Khivraj Complex-II, 5th Floor, 480 Anna Salai, Nandanam, Chennai 600 035.

1. Background:

- 1.1. The proposed Scheme of Amalgamation ('Scheme') under the provisions of Sections 230 to 232 of the Companies Act, 2013 provides for the amalgamation of Acorn Engineering Limited ('Transferor Company') with J.K. Fenner (India) Limited ('Transferee Company') on a going concern basis.
- 1.2. Acorn Engineering Limited is the direct wholly owned subsidiary of J.K. Fenner (India) Limited.
- 1.3. The provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Board of Directors to adopt a report explaining the effect of Scheme on each class of Shareholders, Key Managerial Personnel, Promoters and non-promoter Shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties. The said report is required to be circulated to the shareholders and creditors along with the notice convening the meeting of shareholders/ creditors.
- 1.4. The Scheme was approved by the Board of Directors of the Company ('Board') vide resolution passed in its meeting held on 25th January 2022, and having regard to the aforesaid provision, the Board took into consideration, inter alia, the rationale of the Scheme, considered involved, its impact on the Company's stakeholders, the financial position of the Companies and other documents placed before it.

2. Rationale and benefits of the Scheme

- i. the amalgamation would be in the best interest of the Transferor Company and the Transferee Company and their respective shareholders, employees, creditors and other stakeholders.
- ii. the amalgamation would result in formation of a larger and stronger entity having great capacity for conducting its operations more efficiently and competitively.
- iii. the amalgamation would enable the Transferee Company to harness and optimise the synergies by combining the resources of both the Transferor and Transferee Company.
- iv. better administration and cost reduction, including reduction in administrative, legal and other costs association with the Transferor Company.
- v. the amalgamation would bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and would help in enhancing the overall efficiency and control of the businesses.

3. Consideration

Since, the Transferor Company is the wholly owned subsidiary of Transferee Company, upon the Scheme becoming effective, all the equity shares held by the Transferee Company either by itself or its subsidiaries/ nominees shall stand cancelled and extinguished. Therefore, there will be no issue and allotment of shares as consideration by the Transferee Company to the shareholders of the Transferor Company upon coming into effect of the Scheme. The investments in the shares of the Transferor Company, appearing in the books of account of the Transferee Company shall, without any further act or deed, stand cancelled. Consequently, no valuation report is required for Transferor Company.

4. Effect on the Scheme on the stakeholders of Acorn Engineering Limited ('Transferor Company').

S.No.	Particulars	Effect
1.	Directors	Shall cease to be Directors.
2.	Key Managerial Personnel	No impact since the Company has no KMPs.
3.	Shareholders	No impact being wholly owned subsidiary of Transferee Company.
4.	Promoter Shareholders	No effect. Transferor Company is a wholly owned subsidiary of the Transferee Company. Accordingly, upon the Scheme become effective, the entire share capital of the Transferor Company shall stand cancelled.
5.	Employees	No effect. The present employees shall continue to act as the employees of the Transferee Company, post the Scheme becomes effective.
6.	Secured Creditors/ Creditors	No impact. Since the Transferor Company doesn't have any Secured or unsecured Creditors.

5. Adoption of the report by Board of Directors of Acorn Engineering Limited

The Board of Directors of Acorn Engineering Limited has adopted this report after noting and considering the information set forth in this report.

For Acorn Engineering Limited

Sd/-

Vidya Charan Shukla

Authorised Signatory

Report adopted by the Board of Directors of J.K. Fenner (India) Limited in accordance with Section 232(2)(c) of the Companies Act, 2013 read with Rule 6(3)(vi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in its meeting held on Monday, 31st January 2022 at Patriot House (3rd Floor), 3 Bahadur Shah Zafar Marg, New Delhi 110 002.

1. Background:

- 1.1. The proposed Scheme of Amalgamation ('Scheme') under the provisions of Sections 230 to 232 of the Companies Act, 2013 provides for the amalgamation of Acorn Engineering Limited ('Transferor Company') with J.K. Fenner (India) Limited ('Transferee Company') on a going concern basis.
 - 1.2. Acorn Engineering Limited is the direct wholly owned subsidiary of J.K. Fenner (India) Limited.
 - 1.3. The provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Board of Directors to adopt a report explaining the effect of Scheme on each class of Shareholders, Directors/ Key Managerial Personnel, Promoters and non-promoter Shareholders, laying out in particular the share exchange ratio and specifying any special valuation difficulties. The said report is required to be circulated to the equity shareholders and unsecured creditors along with the notice convening the meeting of equity shareholders/ unsecured creditors.
 - 1.4. The Scheme was approved by the Board of Directors of the Company ('Board') vide resolution passed in its meeting held on 31st January 2022, and having regard to the aforesaid provision, the Board took into consideration, inter alia, the rationale of the Scheme, consideration involved, its impact on the Company's stakeholders, the financial position of the Companies and other documents placed before it.
2. The Scheme of Arrangement is proposed for amalgamation of Acorn Engineering Limited (Transferor Company) with J.K. Fenner (India) Limited (Transferee Company) with effect from 1st April 2022.

3. Rationale and benefits of the Scheme

The proposed amalgamation of Transferor Company with the Transferee Company is in the interest of shareholders and creditors on account of following reasons :

- i. the amalgamation would be in the best interest of the Transferor Company and the Transferee Company and their respective shareholders, employees, creditors and other stakeholders.
- ii. the amalgamation would result in formation of a larger and stronger entity having great capacity for conducting its operations more efficiently and competitively.
- iii. the amalgamation would enable the Transferee Company to harness and optimise the synergies by combining the resources of both the Transferor and Transferee Company.
- iv. the amalgamation would enable better administration and cost reduction, including reduction in administrative, legal and other costs association with the Transferor Company.
- v. the amalgamation would bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and would help in enhancing the overall efficiency and control of the businesses.

Further, there is no adverse effect on this Scheme on the Directors, Key Managerial Personnel, promoters, non-promoter shareholders, creditors and employees of the Companies and the same would be in the best interest of all stakeholders.

3. Consideration

Since, the Transferor Company is the wholly owned subsidiary of Transferee Company, accordingly, upon the Scheme becoming effective, no shares shall be allotted by the Transferee Company by itself or to any of its nominee shareholders holding shares in the Transferor Company. All equity shares and other securities of the Transferor Company held by the Transferee Company (either directly or through nominees) shall stand cancelled without any further application, act or deed. Therefore, there will be no new shares shall be issued or payment made in cash whatsoever to the Transferee Company in lieu of such securities of the Transferor Company. The investments in the shares of the Transferor Company, appearing in the books of account of Transferee Company shall, without any further act or deed, stand cancelled. Consequently, no valuation report is required for Transferor Company.

5. Effect on the Scheme on the stakeholders of J.K. Fenner (India) Limited ('Transferee Company').

S.No.	Particulars	Effect
1.	Directors/ Key Managerial Personnel	No effect. There will be no change in the Directors/ Key Managerial Personnel of the Transferee Company pursuant to the Scheme.
2.	Shareholders	No impact. Transferor Company is a wholly owned subsidiary of Transferee Company. Accordingly, upon the Scheme becoming effective, the entire share capital of the Transferee Company shall stand cancelled.
3.	Promoters	No effect. Transferor Company is a wholly owned subsidiary of the Transferee Company. Accordingly, upon the Scheme become effective, the entire share capital of the Transferor Company shall stand cancelled. The Promoters of the Transferee Company shall continue to be Promoters, post the effectiveness of the Scheme.
4.	Employees	Under the Scheme, no rights of the staff and employees of Transferee Company are being affected.
5.	Secured Creditors / Creditors	No impact as there are no secured or unsecured creditors in the Transferor Company.

5. Adoption of the report by Board of Directors of J. K. Fenner (India) Limited

The Board of Directors of J.K. Fenner (India) Limited has adopted this report after noting and considering the information set forth in this report.

For J.K. Fenner (India) Limited

Sd/-

R. Vijayaraghavan
Company Secretary

ACORN ENGINEERING LIMITED

ANNUAL ACCOUNTS FOR THE YEAR 2021-22

27TH APRIL, 2022

Acorn Engineering Limited

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Annual Report together with the Audited Financial Statements of the Company for the financial year ended 31st March 2022.

FINANCIAL RESULTS

For the Financial Year ended 31st March 2022, the total Revenue was ₹46,518 as against ₹49,435 in the previous year. The Profit after tax was ₹17,711 as against Profit of ₹20,831 last year.

OPERATIONS

During the year under review, the Company did not carry on any business activities.

DIVIDEND

No Dividend is recommended for the financial year ended 31st March 2022.

ANNUAL RETURN

The Annual Return referred to in Section 134(3)(a) of the Companies Act, 2013 is available on the web address at the link: www.jkfenner.com.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

RELATED PARTY TRANSACTIONS

During the financial year ended 31st March 2022, the Company did not enter any contract or arrangement or transaction with related parties that could be considered material. In view of the above, disclosure in Form AOC-2 is not applicable.

DIRECTOR

Shri Nagaraju Srirama retires by rotation and, being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

The provisions under Section 149(6) of the Companies Act, 2013 pertaining to the appointment of Independent Directors do not apply to your Company.

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

The details, as required under Section 134(3)(m) read with the Companies (Accounts) Rules, 2014, regarding conservation of energy, technology absorption, foreign exchange earnings and outgo are not given as the Company has not undertaken any activity during the year under review.

DEPOSITS

The Company has not accepted any deposits during the financial year.

STATUTORY AUDITORS AND THEIR REPORT

M/s. N V Nathan & Co., Chartered Accountants were appointed Auditors of the Company for a term of 5 (five) consecutive years to hold office from the conclusion of 40th Annual General Meeting (AGM) held in the year 2017 till the conclusion of 45th AGM of the Company to be held in the year 2022. The said Auditors have carried out the Statutory Audit of Books of Account of the Company for the financial year 2021-22. The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self-explanatory. The Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

CORPORATE SOCIAL RESPONSIBILITY

The requirement of Corporate Social Responsibility (CSR) in terms of Section 135 of the Companies Act, 2013 and the rules made thereunder is not applicable to the Company.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal controls with reference to financial statements and no material reportable weakness was observed in the system. Further, the Company has in place adequate internal financial controls commensurate with the size and nature of its operations.

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

During the financial year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals or any proceedings/ pending proceedings under laws of the land that could impact the going concern status of the Company and its future operations.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of this report.

MEETINGS OF THE BOARD

Four Board Meetings were held during the twelve months period from 1st April 2021 to 31st March 2022 i.e., on 5th May 2021, 29th July 2021, 21st October 2021 and 25th January 2022.

AUDIT COMMITTEE

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are not applicable to the Company.

VIGIL MECHANISM

The provisions of Section 177(9) and (10) relating to establishment of Vigil Mechanism for directors and employees are not applicable to the Company.

NOMINATION AND REMUNERATION COMMITTEE

The provisions of Section 178(1) of the Companies Act 2013 relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures; if any.


- b) the accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- f) the proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

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

ACKNOWLEDGEMENTS

Your Directors wish to acknowledge and place on record their appreciation for the commitment and dedication of the employees of the Company, and also the co-operation and support extended by Company's stakeholders including Bankers, Shareholders, various Government Authorities.

On Behalf of the Board



Nagaraju Srirama
(DIN 02473218)



Vidya Charan Shukla
(DIN 06925365)

Place: New Delhi
Date : 27th April 2022

Directors



N V NATHAN & CO **Chartered Accountants**

No 38 A , Harvey Nagar 2nd Street, Arasaradi, Madurai – 625 016. Mob: 9344114454

E-Mail : tanya.ramanujam@yahoo.co.in

INDEPENDENT AUDITORS' REPORT **TO THE MEMBERS OF ACORN ENGINEERING LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **ACORN ENGINEERING LIMITED** ("the Company"), which comprises the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Cash flows and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matter stated in Section 134(5) of the Companies Act 2013 ("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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken in to account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit



procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

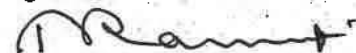
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 relevant books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act;
 - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us, we report that there are no such transactions during the year.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure B", a statement on the matters specified in the paragraph 3 and 4 of the Order.

For N. V. NATHAN & Co.,
Chartered Accountants
ICAI Firm Registration No. 002434S



T Ramanujam
Partner

Membership No. 018998



Place: Madurai
Date : 27.04.2022

UDIN: 22018998AJHMHP2484

"ANNEXURE-A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Acorn Engineering Limited ("the Company") as at 31st March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

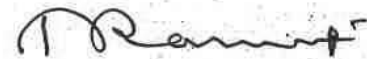
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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 31st March 2022, 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 N. V. NATHAN & Co.,
Chartered Accountants
ICAI Firm Registration No. 002434S



T Ramanujam
Partner

Membership No.018998

Place: Madurai
Date :27.04.2022



ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) The Company has no Fixed Assets and therefore clause 3(i)(a), (i)(b) and (i)(c) of CARO are not applicable.
- (ii) The company does not hold any Inventory. Clause 3(ii) is therefore not applicable to the company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause 3(iii) (a) to (c) of the Order are not applicable.
- (iv) The Company does not have any loans, investments, guarantees and security under Section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits to which the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder and the directions issued by the RBI are applicable. Hence clause 3(v) of CARO is not applicable to the company.
- (vi) The clause (vi) of CARO in regard to cost audit requirement disclosure is not applicable.
- (vii) (a) The Company has no undisputed statutory dues wherever applicable with appropriate authorities during the year.
(b) There are no dues of income tax, sales tax, service tax, customs duty, excise duty and VAT which have not been deposited on account of any dispute.
- (viii) The Company had no loans from a Financial Institution or Bank or Government or dues to debenture holders & therefore clause (viii) is not applicable to the Company.
- (ix) The Company has not raised any moneys by way of Initial Public Offer / Further Public Offer and term loans during the year. Clause (ix) of the Order is therefore not applicable to the Company.
- (x) There is no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (xi) The provisions of Section 197 with reference to Managerial Remuneration do not apply to the Company, as there has been no managerial remuneration. Hence, clause (xi) of the Order is not applicable to the Company.



- (xii) As the Company is not a Nidhi Company, hence clause (xii) of the Order is not applicable to the Company.
- (xiii) In respect of the related parties' transactions entered during the year, the Company has complied with the provisions of Sec. 177 and 188 of the Act, wherever applicable.
- (xiv) The Company has not made any preferential allotment / private placement of shares during the year and therefore clause (xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors / persons connected with him as stipulated u/s. 192 of the Act. Clause 3(xv) of the Order is therefore not applicable to the Company.
- (xvi) The Company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934.

For N. V. NATHAN & Co.,
Chartered Accountants
ICAI Firm Registration No. 002434S



T Ramanujam
Partner

Membership No. 018998

Place: Madurai
Date: 27.04.2022



ACORN ENGINEERING LTD.

BALANCE SHEET AS AT 31ST MARCH, 2022

(Amount in ₹)

Particulars	Note No.	As at 31.03.2022	As at 31.3.2021
ASSETS			
1) Non-current assets		-	-
2) Current assets			
a) Inventories		-	-
b) Financial Assets			
- Cash and Cash Equivalents	2	9,30,343	9,07,202
- Other Financial Assets		-	-
c) Current Tax assets (Net)		-	-
d) Other Current assets		-	-
		9,30,343	9,07,202
TOTAL ASSETS		9,30,343	9,07,202
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	SOCE 1	5,05,000	5,05,000
b) Other equity	SOCE 2	4,13,103	3,95,392
		9,18,103	9,00,392
LIABILITIES			
1) Non-Current Liabilities		-	-
2) Current Liabilities			
a) Other Financial Liabilities	3	3,071	-
b) Other current liabilities	4	8,850	5,900
c) Provisions		-	-
d) Current Tax Liabilities (Net)	5	319	910
		12,240	6,810
TOTAL EQUITY AND LIABILITIES		9,30,343	9,07,202

Company Overview, Basis of preparation and significant Accounting Policies. 1

The accompanying notes are an integral part of financial statements.

Per our report attached

For N V Nathan & Co., (Regn.No.02434S)

Chartered Accountants

For N.V. Nathan & Co,
Chartered Accountants

T. RAMANUJAM, B.Com., F.C.A.,
Chartered Accountant
Membership No: 18998

Partner

Membership No.18998




DIRECTORS

Madurai, the 27th April 2022

UDIN: 22018998 AJ HMHP2484

New Delhi, the 27th April 2022

ACORN ENGINEERING LIMITED**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022**

(Amount in ₹)

Particulars	Note No.	2021-22	2020-21
Income			
Revenue from Operations		-	-
Other Income	6	46,518	49,435
Total Income		46,518	49,435
Expenses			
Other expenses	7	22,507	21,284
Total Expenses		22,507	21,284
Profit before tax		24,011	28,151
Tax expense			
Current Tax		6,300	7,320
Profit for the year		17,711	20,831
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		17,711	20,831
Earnings per equity share of ₹10/- each: Basic/Diluted		0.35	0.41

The accompanying notes are an integral part of financial statements.

Per our report attached
For N V Nathan & Co., (Regn.No.02434S)
Chartered Accountants

For N.V. Nathan & Co.,
Chartered Accountants

(Signature)

Partner

T. RAMANUJAM, B.Com., F.C.A.,
Chartered Accountant
Membership No: 18998

Partner
Membership No.18998



Madurai, the 27th April 2022

UDIN: 22018998AJHMP2484

(Signature)
(Signature)
(Signature)

DIRECTORS

New Delhi, the 27th April 2022

ACORN ENGINEERING LTD.
Statement of Changes in Equity (SOCE) for the year ended 31.3.2022

	As at 31.03.2022	(Amount in ₹) As at 31.03.2021
I SHARE CAPITAL		
a) Authorised		
Equity Shares-100000 of ₹10/- each	10,00,000	10,00,000
Preference Shares -50000 of ₹10/ Each	5,00,000	5,00,000
	15,00,000	15,00,000
b) Issued,Subscribed and Paid up Shares		
Equity Shares -50500 of ₹10/- each		
Balance at the beginning of the year	5,05,000	5,05,000
Changes in the Equity Share capital during the year	-	-
Balance at the end of the reporting period	5,05,000	5,05,000
c) Reconciliation of the number of shares outstanding	Nos.	Nos.
Shares outstanding as at the beginning of the year	50,500	50,500
Changes during the year	-	-
Shares outstanding as at the end of the reporting period	50,500	50,500
d) Details of each shareholder holding morethan 5% shares		
Name of shareholder	No of shares held	No of shares held
J.K.Fenner (India) Limited	50,500	50,500

- i) The Company has only one class of Shares having face value of ₹10/- each and each shareholder is entitled to one vote per share.
- ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- iii) No dividend is declared for the subject year.

II OTHER EQUITY (SOCE)-2

(Amount in ₹)

Particulars	Retained Earnings		Total Other Equity
	General Reserve	Surplus in P&L Statement	
Balance as at 01.04.2020	-	3,74,561	3,74,561
Profit for the year 2020-21	-	20,831	20,831
Transfer to General Reserve	-	-	-
Balance as at 31 st March, 2021	-	3,95,392	3,95,392
Profit for the period ended 31.03.2022	-	17,711	17,711
Transfer to General Reserve	-	-	-
As at 31st March, 2022	-	4,13,103	4,13,103

Per our report attached
For N V NATHAN & CO ., (Regn.No.002434S)
Chartered Accountants
For N.V. Nathan & Co,
Chartered Accountants



Partner
T. RAMANUJAM, B.Com., F.C.A.,
Chartered Accountant
Membership No: 18998



Partner
Membership No.18998
UDIN: 22018998A5HmHP2484
Madurai, the 27th April 2022



DIRECTORS

New Delhi, the 27th April 2022

Note -1 COMPANY OVERVIEW, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

1.1 The Company overview:

Acorn Engineering Limited (the Company) is a public limited company domiciled in India, incorporated under the provisions of Companies Act, 1956. Its shares are not listed in any of the Stock Exchanges in India. The Registered Office of the Company is situated at, 2nd Floor, Delite Theatre Building, Asaf Ali Road, New Delhi – 110 002. The Company is a subsidiary of J.K. Fenner (India) Ltd.

The Company originally established for manufacture of Engineering Products such as Couplings, Clutches, Bearings, SMSR etc. At present the Company does not carry on any of the business activity.

1.2 Basis of Preparation of financial statements:

Statement of Compliance:

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

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

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

Note -1 COMPANY OVERVIEW, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

1.3 Significant accounting policies:

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

(i) Income tax:

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

a) Current tax: Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961.

b) Deferred tax: Deferred Tax is recognised for temporary differences. However, Deferred Tax Asset is recognised to the extent that, it is probable that taxable income will be available against which the same can be realised.

(ii) Earnings per share (EPS):

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

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

(iii) Cash and cash equivalents:

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

ACORN ENGINEERING LTD.
Notes to financial statements

	As at 31.03.2022	(Amount in ₹) As at 31.03.2021
2. CASH AND CASH EQUIVALENTS		
Balance with Banks on Current Account	-	18,580
Cash on hand	-	-
Deposit account - Term Deposit	9,30,343	8,88,622
	<u>9,30,343</u>	<u>9,07,202</u>
3. OTHER FINANCIAL LIABILITIES		
Over drawn - Current Account with Bank	3,071	-
	<u>3,071</u>	<u>-</u>
4. OTHER CURRENT LIABILITIES		
Others -Expenses Payable	8,850	5,900
	<u>8,850</u>	<u>5,900</u>
5. CURRENT TAX LIABILITIES (NET)		
Provision for taxation	30,320	24,020
Less: Advance Tax and TDS	(30,001)	(23,110)
	<u>319</u>	<u>910</u>
	<u>2021-22</u>	<u>2020-21</u>
6. OTHER INCOME		
Other Interest Income -Term Deposit Interest	46518	49435
	<u>46518</u>	<u>49435</u>
7. OTHER EXPENSES		
Insurance	118	118
Rates and Taxes	3560	2340
Audit fees	12000	13000
Professional fees	5000	5000
Bank Charges	1829	826
	<u>22507</u>	<u>21284</u>

ACORN ENGINEERING LTD.
Notes to financial statements

8. Related Party Disclosures

(A) Related Parties

(i) Holding Company

J.K.Fenner (India) Limited

(ii) Fellow Subsidiary Companies

Southern Spinners and Processors Ltd.

Modern Cotton Yarn Spinners Ltd.

Divyashree Company Pvt Ltd.

(iii) Holding Company of J.K.Fenner (India) Limited

Bengal and Assam Company Ltd.

(B) Transactions carried out with related parties in the ordinary course of business

Nature of Transactions - Other Expenses

Holding Company - J.K. Fenner (India) Limited

(C) Outstanding Balances:

Amount payable to Holding Company

	As at	As at
	31.03.2022	31.03.2021
	-	-

9. The provision for current tax represents income tax payable computed under substantive provisions of the income tax Act, 1961.

For N V NATHAN & CO ., (Regn.No.002434S)
Chartered Accountants

For N.V. Nathan & Co,
Chartered Accountants



Partner
T. RAMANUJAM, B.Com., F.C.A.,
Chartered Accountant
Membership No: 18998

Partner
Membership No.18998

Madurai, the 27th April 2022





DIRECTORS

New Delhi, the 27th April 2022

ACORN ENGINEERING LTD.
Notes to financial statements

Statement of Cash Flow	(Amount in ₹)	
	As at 31.03.2022	As at 31.03.2021
Cash flow from Operating Activities		
Net Profit before tax	24,011	28,151
Adjustments for :		
Interest received	(46,518)	(49,435)
Dividend Received	-	-
Operating Profit before Working Capital changes	(22,507)	(21,284)
Increase / (Decrease) in other current liabilities	6,021	-
(Increase) / Decrease in Other current assets	-	-
Cash generated from Operations	(16,486)	(21,284)
Direct taxes (paid)/Refund	(6,891)	(4,913)
Net Cash from Operating Activities	(23,377)	(26,197)
Cash flow from Investing Activities		
(Purchase)/Sale of Investment (Net)	-	-
Dividend Received	-	-
Net Cash used in Investing Activities	-	-
Cash flow from Financing Activities		
Interest Income Received	46,518	49,435
Increase/(Decrease) in Cash Credit	-	-
Dividend paid (including dividend tax)	-	-
Net Cash used in Financing Activities	46,518	49,435
Net increase /(Decrease) in Cash and Cash Equivalents	23,141	23,238
Cash and bank balances as at the beginning of the year	9,07,202	8,83,964
Cash and bank balances as at the end of the year	9,30,343	9,07,202

Note:

- Figures in brackets are outflows.
- Cash and Cash equivalent includes Cash on hand and Balance with Scheduled Banks.

Per our report attached
For N V NATHAN & CO ., (Regn.No.002434S)
Chartered Accountants

For N.V. Nathan & Co,
Chartered Accountants



Partner

T. RAMANUJAM, B.Com., F.C.A.,
Chartered Accountant
Membership No. 18998

Partner
Membership No.18998

Madurai, the 27th April 2022



DIRECTORS
New Delhi, the 27th April 2022



N V NATHAN & CO
CHARTERED ACCOUNTANTS

To,
Board of Directors
Acorn Engineering Limited

We have reviewed the accompanying statement of unaudited financial results (the Statement') of **Acorn Engineering Limited** (the 'Company') for the half year ended September 30, 2022 attached herewith, being prepared by the Company to the extent required by Bengal & Assam Company Limited, [Ultimate holding Company of Acorn Engineering Limited] to prepare consolidated financial results for the half year ended September 30, 2022 pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, pursuant to the Listing Agreement entered into by Bengal & Assam Company Limited with the Stock Exchanges in India and not to report on the Company as a separate entity. Attention is drawn to the fact that the figures for the corresponding half year April 01, 2022 to September 30, 2022 and April 01, to June 30, 2022 as reported in these financial results have been approved by the board of directors, but have been subject to review.

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder (as amended) and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



No 38 A , Harvey Nagar 2nd Street, Arasaradi, Madurai – 625 016.Mob: 9344114454
E-Mail : tanya_ramanujam@yahoo.co.in & yuktanyait@gmail.com



N V NATHAN & CO
CHARTERED ACCOUNTANTS

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed or that it contains any material misstatement.

This report is being issued on an understanding that the quarterly financial results are not required to be published under any statute being the results of an Unlisted Company and are for the limited purpose of consolidation with the Holding Company. It is not to be used for any other purpose, or referred to in any other document, or distributed to anyone without our written prior consent.

For N. V. NATHAN & Co.,

Chartered Accountants

ICAI Firm Registration No. 024345

T. Ramanujam

Partner

Place: Delhi

Date : 20th October, 2022

Membership No.018998

UDIN No: 22018998BFK6F28601





N V NATHAN & CO
CHARTERED ACCOUNTANTS

To,
Board of Directors
Acorn Engineering Limited

Notes to financial statements for the period ended 30th September, 2022.

Note -1 COMPANY OVERVIEW, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

1.1 The Company overview:

Acorn Engineering Limited (the Company) is a public limited company domiciled in India, incorporated under the provisions of Companies Act, 1956. Its shares are not listed in any of the Stock Exchanges in India. The Registered Office of the Company is situated at, 3, Madurai Mekkal Road, Kochadai, Madurai – 625 016. The Company is a subsidiary of J.K. Fenner (India) Ltd.

The Company originally established for manufacture of Engineering Products such as Couplings, Clutches, Bearings, SMSR etc. At present the Company does not carry on any of the business activity.

1.2 Basis of Preparation of financial statements:

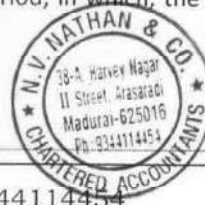
Statement of Compliance:

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

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

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

1.3 Significant accounting policies:



No 38 A , Harvey Nagar 2nd Street, Arasaradi, Madurai – 625 016. Mob: 9344114454
E-Mail : tanya_ramanujam@yahoo.co.in & yuktanyait@gmail.com



N V NATHAN & CO
CHARTERED ACCOUNTANTS

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

(i) Income tax:

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

a) Current tax: Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961.

b) Deferred tax: Deferred Tax is recognised for temporary differences. However, Deferred Tax Asset is recognised to the extent that, it is probable that taxable income will be available against which the same can be realised.

(ii) Earnings per share (EPS):

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

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

(iii) Cash and cash equivalents:

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

For N. V. NATHAN & Co.,

Chartered Accountants

ICAI Firm Registration No. 024345

T. Ramanujam

Partner

Place: Delhi

Date : 20th October, 2022

UDIN No: 22018998BFKGFQ8601

Membership No.018998



No 38 A , Harvey Nagar 2nd Street, Arasaradi, Madurai – 625 016. Mob: 9344114454
E-Mail : tanya_ramanujam@yahoo.co.in & yuktanyait@gmail.com

ACORN ENGINEERING LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30TH SEPTEMBER, 2022

(Amount in ₹)

Particulars	Note No.	2022-23	2021-22
Income			
Revenue from Operations		-	-
Other Income	7	16,731	46,518
Total Income		16,731	46,518
Expenses			
Other expenses	8	16,880	22,507
Total Expenses		16,880	22,507
Profit before tax		(149)	24,011
Tax expense			
Current Tax		-	6,300
Profit for the year		(149)	17,711
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		(149)	17,711
Earnings per equity share of ₹10/- each:			
Basic/Diluted		0.00	0.35

The accompanying notes are an integral part of financial statements.

Sd/-

NAGARAJU SRIRAMA

Sd/-

A K KINRA

Sd/-

VIDYA CHARAN SHUKLA

DIRECTORS

New Delhi, the 20th Oct 2022

For N.V. Nathan & Co,
Chartered Accountants

T. Ramani

Partner

T. RAMANUJAM, B.Com., F.C.A.,
Chartered Accountant
Membership No: 18998



ACORN ENGINEERING LTD.

BALANCE SHEET AS AT 30th SEPTEMBER, 2022

(Amount in ₹)

Particulars	Note No.	As at 30.09.2022	As at 31.3.2022
ASSETS			
1) Non-current assets		-	-
2) Current assets			
a) Inventories		-	-
b) Financial Assets			
- Cash and Cash Equivalents	2	9,14,153	9,30,343
- Other Financial Assets	3	16,280	-
c) Current Tax assets (Net)		-	-
d) Other Current assets		-	-
		9,30,433	9,30,343
TOTAL ASSETS		9,30,433	9,30,343
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	SOCE 1	5,05,000	5,05,000
b) Other equity	SOCE 2	4,12,954	4,13,103
		9,17,954	9,18,103
LIABILITIES			
1) Non-Current Liabilities		-	-
2) Current Liabilities			
a) Other Financial Liabilities	4	-	3,071
b) Other current liabilities	5	12,160	8,850
c) Provisions		-	-
d) Current Tax Liabilities (Net)	6	319	319
		12,479	12,240
TOTAL EQUITY AND LIABILITIES		9,30,433	9,30,343

Company Overview, Basis of preparation and significant Accounting Policies. 1

The accompanying notes are an integral part of financial statements.

Sd/-

NAGARAJU SRIRAMA

Sd/-

A K KINRA

Sd/-

VIDYA CHARAN SHUKLA

DIRECTORS

New Delhi, the 20th Oct 2022

For N.V. Nathan & Co,
Chartered Accountants

Partner

T. RAMANUJAM, B.Com., F.C.M.,
Chartered Accountant
Membership No: 18998

Statement of Changes in Equity (SOCE) for the period ended 30.09.2022

	As at 30.09.2022	(Amount in ₹) As at 31.03.2022
I SHARE CAPITAL		
a) Authorised		
Equity Shares-100000 of ₹10/- each	10,00,000	10,00,000
Preference Shares -50000 of ₹10/ Each	5,00,000	5,00,000
	<u>15,00,000</u>	<u>15,00,000</u>
b) Issued,Subscribed and Paid up Shares		
Equity Shares -50500 of ₹10/- each		
Balance at the beginning of the year	5,05,000	5,05,000
Changes in the Equity Share capital during the year	-	-
Balance at the end of the reporting period	<u>5,05,000</u>	<u>5,05,000</u>
c) Reconciliation of the number of shares outstanding	Nos.	Nos.
Shares outstanding as at the beginning of the year	50,500	50,500
Changes during the year	-	-
Shares outstanding as at the end of the reporting period	<u>50,500</u>	<u>50,500</u>
d) Details of each shareholder holding morethan 5% shares		
Name of shareholder	No of shares held	No of shares held
J.K.Fenner (India) Limited	50,500	50,500

- i) The Company has only one class of Shares having face value of ₹10/- each and each shareholder is entitled to one vote per share.
- ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- iii) No dividend is declared for the subject year.

II OTHER EQUITY (SOCE)-2

Particulars	(Amount in ₹)	
	Retained Earnings	Total Other Equity
	General Reserve	Surplus in P&L Statement
Balance as at 01.04.2021	-	3,95,392
Profit for the year 2021-22	-	17,711
Transfer to General Reserve	-	-
Balance as at 31 st March, 2022	-	4,13,103
Profit for the period ended 30.09.2022	-	(149)
Transfer to General Reserve	-	-
As at 30th September, 2022	-	4,12,954
Per our report attached		



ACORN ENGINEERING LTD.
Notes to financial statements

	As at 30.09.2022	(Amount in ₹) As at 31.03.2022
2. CASH AND CASH EQUIVALENTS		
Balance with Banks on Current Account	2,93,923	-
Cash on hand	-	-
Deposit account - Term Deposit	6,20,230	9,30,343
	<u>9,14,153</u>	<u>9,30,343</u>
3. OTHER FINANCIAL ASSETS		
Interest receivable from banks	16,280	-
	<u>16,280</u>	<u>-</u>
4. OTHER FINANCIAL LIABILITIES		
Over drawn- Current Account with Bank	-	3,071
	<u>-</u>	<u>3,071</u>
5. OTHER CURRENT LIABILITIES		
Others -Expenses Payable	12,160	8,850
	<u>12,160</u>	<u>8,850</u>
6. CURRENT TAX LIABILITIES (NET)		
Provision for taxation	30,320	30,320
Less: Advance Tax and TDS	(30,001)	(30,001)
	<u>319</u>	<u>319</u>
	<u>For quarter ended 30.09.2022</u>	<u>For the year 2021-22</u>
7. OTHER INCOME		
Other Interest Income -Term Deposit Interest	16731	46518
	<u>16731</u>	<u>46518</u>
8. OTHER EXPENSES		
Insurance	60	118
Rates and Taxes	1800	3560
Audit fees	12220	12000
Professional fees	2500	5000
Bank Charges	300	1829
	<u>16880</u>	<u>22507</u>

For N.V. Nathan & Co.,
Chartered Accountants

Ram

Partner

T. RAMANUJAM, B.Com., F.C.A.
Chartered Accountant
Membership No: 18998



ACORN ENGINEERING LTD.
Notes to financial statements

9. Related Party Disclosures

(A) Related Parties

(i) Holding Company

J.K.Fenner (India) Limited

(ii) Fellow Subsidiary Companies

Southern Spinners and Processors Ltd.

Modern Cotton Yarn Spinners Ltd.

Divyashree Company Pvt Ltd.

iii) Holding Company of J.K.Fenner (India) Limited

Bengal and Assam Company Ltd.

(B) Transactions carried out with related parties in the ordinary course of business

Nature of Transactions - Other Expenses

Holding Company - J.K. Fenner (India) Limited

As at

As at

(C) Outstanding Balances:

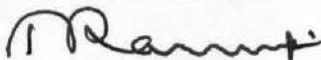
30.09.2022

31.03.2022

Amount payable to Holding Company

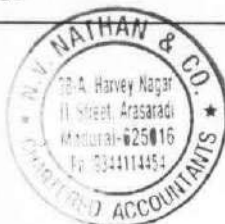
10. The provision for current tax represents income tax payable computed under substantive provisions of the income tax Act, 1961.

For N.V. Nathan & Co,
Chartered Accountants



Partner

T. RAMANUJAM, B.Com., F.C.A.,
Chartered Accountant
Membership No: 18998



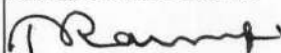
ACORN ENGINEERING LTD.
Notes to financial statements

Statement of Cash Flow	As at 30.09.2022	(Amount in ₹) As at 31.03.2022
Cash flow from Operating Activities		
Net Profit before tax	(149)	24,011
Adjustments for :		
Interest received	(16,731)	(46,518)
Dividend Received	-	-
Operating Profit before Working Capital changes	(16,880)	(22,507)
Increase / (Decrease) in other current liabilities	239	6,021
(Increase) / Decrease in Other current assets	(16,280)	-
Cash generated from Operations	(32,921)	(16,486)
Direct taxes (paid)/Refund	-	(6,891)
Net Cash from Operating Activities	(32,921)	(23,377)
Cash flow from Investing Activities		
(Purchase)/Sale of Investment (Net)	-	-
Dividend Received	-	-
Net Cash used in Investing Activities	-	-
Cash flow from Financing Activities		
Interest Income Received	16,731	46,518
Increase/(Decrease) in Cash Credit	-	-
Dividend paid (including dividend tax)	-	-
Net Cash used in Financing Activities	16,731	46,518
Net increase /(Decrease) in Cash and Cash Equivalents	(16,190)	23,141
Cash and bank balances as at the beginning of the year	9,30,343	9,07,202
Cash and bank balances as at the end of the year	9,14,153	9,30,343

Note:

- Figures in brackets are outflows.
- Cash and Cash equivalent includes Cash on hand and Balance with Scheduled Banks.

Per our report attached
For N V NATHAN & CO ., (Regn.No.002434S)
Chartered Accountants



T RAMANUJAM
Partner

Membership No. 018998

UDIN: 22618998BFK5F28601

New Delhi, the 20th Oct 2022

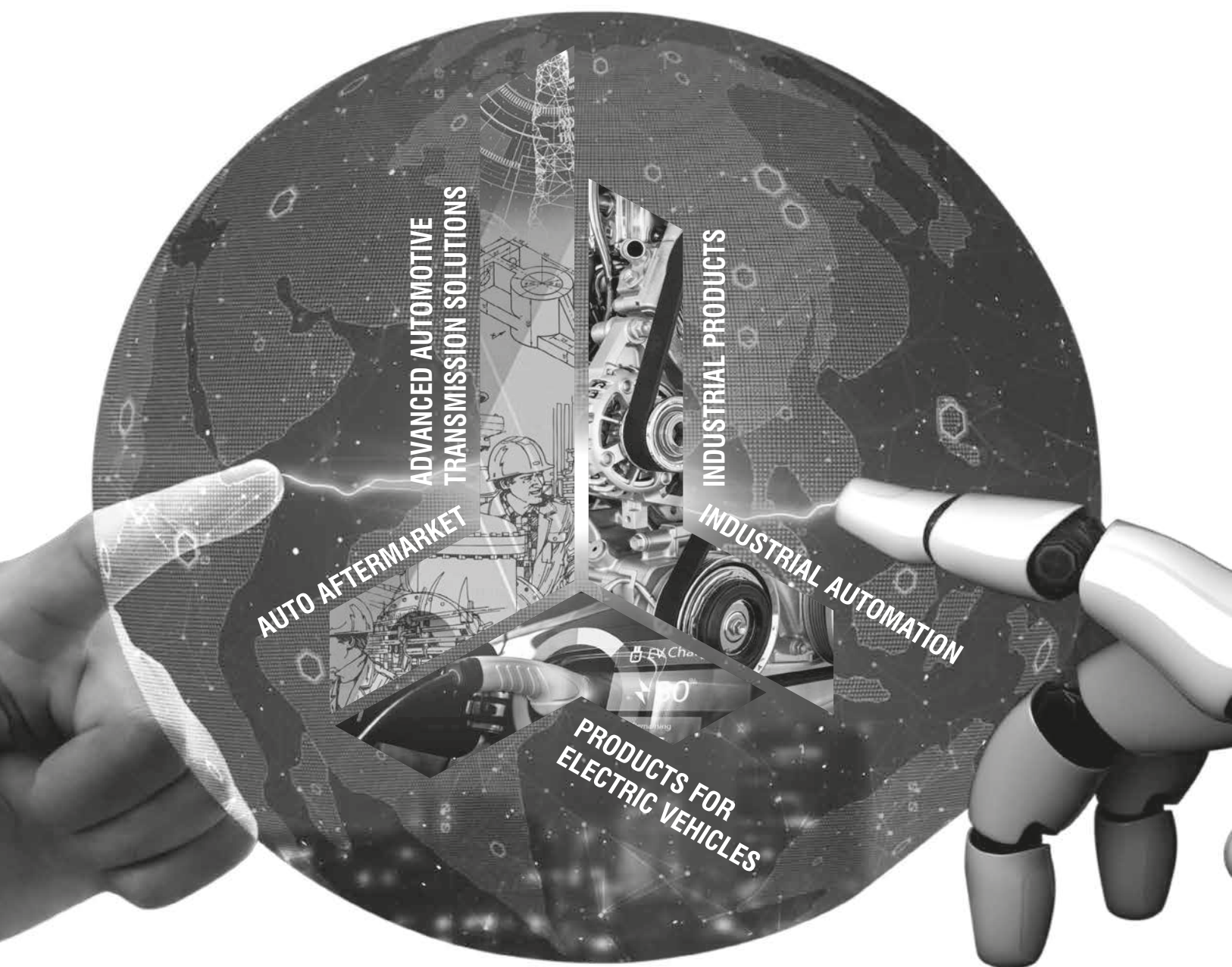
Sd/-
NAGARAJU SRIRAMA

Sd/-
A K KINRA

Sd/-
VIDYA CHARAN SHUKLA

DIRECTORS
New Delhi, the 20th Oct 2022





ANNUAL REPORT 2021 - 22

C O N T E N T S



Board of Directors



Chairman's Message



Managing Director's Message



Directors' Report



Auditor's Report



Standalone Financial Statements



Board of Directors

DR. RAGHUPATI SINGHANIA

Chairman

H.V. LODHA

HARSH PATI SINGHANIA

RAHUL CHANDRAKANT KIRLOSKAR

BAKUL JAIN

MAMTA SINGHANIA

SURENDRA MALHOTRA

VIKRAMPATI SINGHANIA

Managing Director

NAGARAJU SRIRAMA

President & Director



REGISTERED OFFICE :

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



CORPORATE OFFICE :

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



BANKERS :

State Bank of India
HDFC Bank
Standard Chartered Bank
Axis Bank
ICICI Bank



AUDITORS :

Lodha & Co.,
Chartered Accountants



PLANTS :

- Madurai
- Sriperumbudur
- Nilakottai
- Patancheru
- Pashamailaram

Chairman's Message

I am delighted that, this year is a **milestone year** for JK Fenner as revenues for the first time crossed ₹ 1000 Crores and PBT of nearly ₹ 100 Crores.

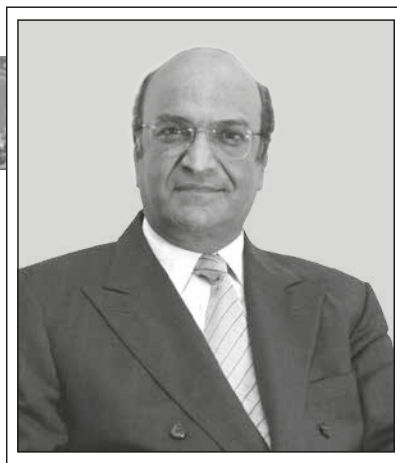
Though the year under review was marked by pandemic induced disruptions, this time however, as a nation we displayed greater resilience and came out stronger. The collaborative effort of the Government and the people was a great enabler.

I am happy to share that your Company rode out the storm and despite sharp economic fluctuations, was able to grow significantly during this period.

The continued global disruptions across supply chains lead to high variability and volatility across all parameters including raw material, logistics and other inputs which led to a rise in costs. In this situation business planning for us as well as our valued customers was a real challenge. More so, the Indian automotive industry with whom we are closely intertwined continued to face multiple headwinds.

Even in this dynamic scenario strategic planning in sourcing and in our efforts enabled JK Fenner to cater to market and customer requirements, winning customer satisfaction and appreciation while growing the business. Your Company also continued to expand its global presence by strengthening local teams in Europe and North America enabling closer connect with the markets. JK Fenner has taken a calibrated approach to adoption of Electric Vehicle technologies. It is heartening to see that we have developed our own transmission system and are adding new products while collaborating with a number of OEMs to deploy them. This new product and market segment will be a significant growth driver for the Auto OE business in the coming years.

The Company's management has sustained its focus on safety, health and employee wellbeing. In addition to the various initiatives taken to counter Covid19, this year the vaccination drive was diligently pursued not only for our employees but also for the public who reside in the vicinity of our manufacturing



locations. JK Fenner also took up a number of initiatives directly with Government bodies to strengthen the facilities required to fight Covid which included setting up of an Oxygen generating plant and creation of medical facilities.

As we look ahead, the outlook seems promising, with the government's planned capex and major thrust on infrastructural development and sustainable growth.

I congratulate the various teams for the performance during the year and thank all our employees and their families for their commitment and hard work during these challenging times and look forward for their continued support in the attainment of the goals of the Company.

Raghubati Singhania

Managing Director's Message

Firstly, I wish and pray for the good health and safety of all the stakeholders of JK Fenner.

In the year gone by, the Indian economy recovered well, with a GDP growth of 8.9% during the year. As a matter of delight and pride that your Company achieved an all-time high turnover of ₹ 1050.59 Crores this year. All the verticals of your Company posted strong YoY growth with Exports leading the way.

Whilst lower than pre-Covid levels, overall automotive vehicle sales grew by 7% YoY. Except Tractors, all the other vehicle segments registered growth, with CV leading the pack. This helped your Company post good growth in Auto OEM sales, duly assisted by the foray into the drive system for EV's, a growth segment for the industry as well as for your Company.

Raw material rates surged during the year to record highs and sea freight networks were thrown into disarray due to Covid19 related work disruptions at major seaports across the world. Consequently, supply chains were affected, sea freight rates skyrocketed, compounded by container availability challenges.

Your Company continued its focus on product technology and productivity and embarked on a digital led business transformation. Not only has the company started aggressively implementing i4.0 at its manufacturing locations but is digitising its sales & marketing, commercial and supply chain processes also.

All these actions contributed to your Company's profitability during the year, despite massive cost challenges. The coming year is expected to continue to see strong headwinds across all its input heads and surging crude and raw material costs,



however, your Company is doing its best to effectively minimise and mitigate the impact.

In summary, it was a memorable year for your Company with an all-time high revenue as well as profit, against the backdrop of the pandemic and its adverse impact.

I once again acknowledge and thank all the employees and their families as well as all the stakeholders for their extraordinary efforts that they put in during these challenging times. Without their dedication and commitment, the Company could not have performed and achieved these results.

Vikrampati Singhania

Directors' Report

TO THE MEMBERS

Your Directors have pleasure in presenting the Annual Report together with the Audited Financial Statements of the Company for the financial year ended 31st March 2022.

FINANCIAL RESULTS

	₹ in Crores
Sales & Other Income	1088.12
Profit Before Finance cost & Depreciation (PBIDT)	196.67
Profit After Tax (PAT)	95.63
Surplus brought forward	248.58
Surplus carried to Balance Sheet	304.30

DIVIDEND

During the year under review, out of 70,00,000 Cumulative Redeemable Preference Shares (CRPS) of ₹ 100 each aggregating ₹ 70 Crores, the Company had redeemed 25,00,000 CRPS of ₹ 100 each aggregating ₹ 25 Crores on 30th October 2021 and paid dividend @ 1% amounting to ₹ 14.58 Lacs proportionately upto the date of redemption. Dividend @ 1% for the remaining 45,00,000 CRPS of ₹ 100 each amounting to ₹ 45.00 Lacs was paid on 31st March 2022. The total Preference Shares Dividend outgo was ₹ 59.58 Lacs.



Best Supplier Award from Volvo Eicher Commercial Vehicles

Your directors are pleased to recommend a final dividend of ₹ 25 per Equity share of ₹ 10 each on the Equity Share Capital of ₹ 2.48 Crores, which together with the interim dividend of ₹ 40 per Equity share aggregates to ₹ 65 per Equity share for the financial year ended 31st March 2022. The total dividend outgo will be ₹ 16.14 Crores.

BUSINESS OPERATIONS

During the year your Company crossed ₹ 1000 Crores revenue milestone with 33% growth over the previous year and achieved an all-time high profit after tax of ₹ 95.63 Crores higher by 45%.

During the first part of the year 2021-22, the Indian economy continued to suffer from the impact of Covid-19 and its related restriction and lockdowns, followed by a recovery in the economic activity from Aug 2021 onwards. This resulted in a GDP growth of approximately 8.9%, which comes against the degrowth of 7% in FY2020-21. Growth revival was essentially due to the recovery in Agricultural and Manufacturing sectors, while the Automotive sector saw headwinds due to the continued chip shortage and depressed market conditions and sentiments. The Service sector also continued to see the negative impact due to the pandemic for most of the year.



Awarded for “Excellence in Delivery” at TIMKEN Suppliers Meet 2021

Due to the continued disruption during the pandemic, the Supply chain and Logistics were severely impacted, causing major issues of raw material availability across the world. Container availability was hit due to the erratic operations at major international ports across the USA, EU and China, resulting in delays in shipment lead times and sharp increase in freight rates by a staggering 4 to 5 times.

Despite the challenging situation during the year, your Company's manufacturing activities continued well. This helped in not only being able to execute regular orders but was in a position to service some 'one time' sales opportunities for Export customers. This gave greater confidence to our international customers about our capabilities to deliver on time, compared to others. Productivity improvement coupled with manufacturing cost reduction initiatives and alternate raw material development and implementation across the operations enabled the Company to substantially improve its profitability, in spite of huge increase in various raw material prices. Raw material prices saw a steep increase during Q4 2021-22 and is expected to last during the next fiscal or beyond as well. Availability of key raw materials and components continued to be a major cause of concern.

Your Company is on a path of Digitalisation across its manufacturing, sales and finance functions. A pilot line in i4.0 was implemented successfully at one of the locations. This will be rolled out across plants in a phased manner over the next 2-3 years. This is expected to improve the line productivity, quality performance and provide traceability from raw material to finished product. A few more breakthrough projects have been taken up leading



ACMA Atmanirbhar Excellence Award 2021 for “EXCELLENCE IN DIGITALIZATION”

to significant improvement in manpower productivity.

Technology and Innovation continues to be a focus and thrust area for your Company to enhance its brand image and to enable new business growth. New products were introduced for 2W Electric vehicles, Industrial applications and defence sectors.

The hybrid model of connect with the industry helped in engaging with customers in anticipating the demand cycles and reducing lead times. Digital connect and Lead management programs have also helped in improving business conversion rates.

In summary, the year 2021-22 was an eventful one for our business operations with a lot of challenges,

while at the same time bucking the trend and ending the year with a growing topline and bottom line. Digitalisation, focus on EV segment, product range expansion, new product additions and technology enhancement form part of the key strategic initiatives, coupled with efficiency enhancement projects.

Technology and Innovation continues to be a focus and thrust area for your Company to enhance its brand image and to enable new business growth

EXPORTS

Export sales registered robust growth during 2021-22. This was due to new customer additions as well as some one-time opportunities. The major focus markets are Americas, Europe, Middle East & Africa. Region specific product benchmarking and application-based approach, coupled with speed of response to market needs resulted in revenue growth during the year. Systemic penetration into the automotive aftermarket has helped growth. To grow the export business, the focus will be on new products and new markets in addition to expanding the customer base over the next few years.

OTHERS

During the year, the Company has made significant progress in technology for core products and for the EV segment. In its core products, the Company has developed Poly V belts with high strength, Tensioners with combination of Axial and Radial damping, Hub unit and Suspension seals for passenger car applications. In high pressure hoses and hose assemblies, the Company has won approvals from several customers. As part of the localisation agenda, the Company has invested in a new line to manufacture Brake hoses. In the EV segment, the Company continues to progress in Belt drive solutions for Mid Motor applications and supplies have commenced to leading OEM's. The Company is investing in additional capacity for belts to service the demand for the EV Segment.

RESEARCH AND DEVELOPMENT

Your Company continues its focus on R&D as a vehicle to realize its growth aspirations. Investment in people and infrastructure (design and development software, PLM software, validation test rigs, etc.) has increased. This strategic investment in R&D team is to support various new technology projects which are aligned with the business goals and strategies.

In addition, the manufacturing process technology team supports the R&D team's work in upgrading the manufacturing process capability to support the requirements of the product design and enable the manufacturability of those products and designs at a competitive cost.



**HR best practices 2021 Gold Star Award from FTCCI
(Federation of Telangana Chambers of Commerce and Industry)**

**During the year,
the Company
has made
significant progress in
technology
for core products
and for the
EV segment**



Recognition from CLAAS



Best CSR Practices award from Government of Telangana

Our efforts are on developing technologies in terms of newer material, advanced designs and processes for existing as well as new products and markets.

HUMAN RESOURCE

The Company considers employees as vital and most valuable assets. Human Resource Development (HRD) is aligned with business needs to enhance business performance and results. HRD is practiced through an overall HRD framework with its constituents as resourcing, employee engagement, performance & compensation management, competency based development, career & succession planning and organisation development.

Your Company continued the following initiatives during the financial year 2021-22: -

- ◆ The Company ensured vaccination of all its employees, prescribed strict SOP at all its workplaces and organised campaigns to bring awareness amongst all employees on safeguards against the Pandemic.
- ◆ Regular communication from the senior management to all employees to keep their morale high.
- ◆ Provided work-from-home facility to employees depending upon the situation.
- ◆ Transformed the virtual/online option into an active engagement and communication platform.



- ◆ Intensified training through the digital platform in line with Business, Learning and Development Strategy and the JKO Competency Framework on-the-job, behaviour training, coaching and mentoring.

All the above initiatives paid rich dividends in reducing the impact of the pandemic and keeping employee morale very high. Team JK Fenner came out with high spirit and extended full support in adhering to the Standard Operating Procedures (SOP) formulated by the Company in line with the Government guidelines.

The Company has been investing in capacity and capability development by increasing its thrust on digital and virtual learning. The Company has also increasingly recruiting digitally

skilled talent to ensure that human efforts are complemented by higher automation for all round excellence and enhanced performance.

The operative employees of all manufacturing plants fully cooperated in utilising plant capacities effectively and providing a steady supply of quality production as the markets opened up. Several initiatives in manufacturing excellence, cost reduction have been effectively employed. JK Fenner has put highest emphasis on training and developing employees not only in functional excellence but also in terms of new sets of behavior that ensure health and safety for self, families and all stakeholders. In true sense, your Company

continues to stand up by the group's Core Value - "Caring for People".

CORPORATE SOCIAL RESPONSIBILITY

Your Company considers the community as its key stakeholder and is one of the foremost proponents of inclusive growth and has continued to undertake projects for overall development and welfare of the society in the fields of environment, conservation of natural resources, health, education, rural development and livelihood interventions etc. In line with its belief of considering Community as its key stakeholder and being sensitive to its needs.

During the outbreak of Covid-19 pandemic, the Company

took several initiatives at the Community level across its plant locations by undertaking distribution of food kits, face masks, hand sanitisers to needy families and sanitisation. It also contributed to setting up Oxygen generating plant at a Government Hospital in Madurai. In addition, the Company also assisted the local administration in taking various preventive and safety measures.

Your Company has been undertaking and participating in the socially important projects in the fields of livelihood creation with focus on skill development, rural development, health & hygiene, education & environment sustainability among others. In this pursuit, during the year 2021-22, the Company initiated



Donation of Oxygen Generating plant in Madurai



CII Business Excellence Maturity Assessment – “Gold Category Recognition”

skill development programmes for village women for imparting tailoring and embroidery skills and driving skills for the underprivileged youth. As a part of livelihood enhancement program, the Company provided training to Farmers for increasing the yield by adopting newer technology and irrigation systems. Towards health, your Company organised Cancer Awareness and free cancer detection camps, Free Eye Screening camps in the villages in Telangana and Tamil Nadu. The Company has installed Solar Street Lamps in the villages located in Tamil Nadu and Telangana towards environmental sustainability. The contents of the CSR policy are also disclosed on the website of the Company at the link: www.jkfenner.com.

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

ACHIEVEMENTS, AWARDS AND ACCOLADES IN 2021-22

During the year 2021-22, your Company has been bestowed with the following awards and accolades:-

1. The Company won Zero PPM Award from Bharat Benz.
2. Hyderabad1 Plant won Best Global Supplier Excellence Award from Timken and was conferred with Best Supplier Award by Volvo Eicher Commercial Vehicles under the category of After Market Supply Chain Excellence.
3. Hyderabad2 Plant won Gold Category award from CII for Business Excellence Maturity Assessment – 2021 and People Management Award for the category of “Highest Improvement” by JKO Organisation.
4. The Company won CII Excellence Award under the category of Strong

Commitment to HR Excellence and in the Categories of NPD Bridge Cluster, Realtime Manufacturing-Industry 4.0 and New Product Design.

ANNUAL RETURN

The Annual Return referred to in Section 134(3)(a) of the Companies Act, 2013 is available on the website of the Company at the link: www.jkfenner.com.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

RELATED PARTY TRANSACTIONS

During the financial year ended 31st March 2022, all contracts or arrangements or transactions entered into by the Company with related parties were in the ordinary course of business and

on an arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013.

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

CONSERVATION OF ENERGY, ETC.

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

DEPOSITS

The particulars with respect to the deposits covered under Chapter V of the said Act, for the financial year ended 31st March 2022 are (a) accepted during the year: Nil; (b) remained unclaimed as at the end of the year: ₹ 0.005 Crores; (c) defaulted in repayment of deposits or payment of interest thereon at the beginning of the year and at the end of the year: Nil and (d) details of deposits which are not in compliance with the requirements of Chapter V of the said Act: Nil.

CONSOLIDATION OF FINANCIAL STATEMENTS

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

Accordingly, your Company has availed the exemption from preparation and presentation of its Consolidated Financial Statements for the year

**In true sense,
your Company
continues to
stand up by the
group's Core Value -
"Caring for People"**

ended 31st March 2022, being an unlisted Company coupled with the fact that its Holding Company consolidated the financial statements for the year ended 31st March 2022 in compliance with the applicable Accounting Standards.

During the financial year under review, Gram Power Infrastructure Private Limited has become associate company excepting this, no Company has become or



Appreciation Award from Ashok Leyland



ceased to be subsidiary or associate of your Company. The Company does not have any Joint Venture.

AUDITORS

(a) Statutory Auditors and their Report

M/s. Lodha & Co., Chartered Accountants were appointed Auditors of the Company for a term of 5 (five) consecutive years to hold office from the conclusion of 24th Annual General Meeting (AGM) held in the year 2017 till the conclusion of 29th AGM of the Company to be held in the year 2022. The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self-explanatory. The Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

(b) Secretarial Auditors and Secretarial Audit Report

Pursuant to provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed M/s. R. Sridharan & Associates, Company Secretaries in Practice, as Secretarial Auditors to carry out the secretarial audit of the Company for the financial year 2021-22. The Report, given by them for the said financial year in the prescribed format, is annexed to this Report as Annexure 'B'. The Secretarial Audit Report does

not contain any qualification, reservation or adverse remark.

(c) Cost Auditors and Cost Audit Report

The Company is required to maintain the cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained by the Company. The Cost Audit for the financial year ended 31st March 2021 was conducted by M/s. Ramachandran and Associates, Cost Accountants, Chennai, and as required, the Cost Audit Report was duly filed with the Ministry of Corporate Affairs, Government of India. The Audit of the cost accounts of the Company for the financial year ended 31st March 2022 is also being conducted by the said firm.

INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT

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



Certificate of Appreciation from Kirloskar



Special Recognition from KOEL

records, safeguarding of the assets and resources of the Company and helps in prevention and detection of frauds and errors. The policies and procedures are also adequate for orderly and efficient conduct of business of the Company. The Company also has a robust management information system commensurate with the size and nature of its operations, which not only facilitates speedy business decisions but also helps in sharing reliable information across various levels in the Company. No reportable material weakness was observed in the system during the previous fiscal.

The Company has an elaborate risk management system to inform Board Members about risk assessment and minimisation procedures. The Risk Management framework formalises the Company's approach to overview and manage overall risks. Board Members are accordingly informed.

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

During the financial year under review, there were no significant and material orders passed by the Regulators, Courts or Tribunals or any proceedings/ pending proceedings under laws of the land including Insolvency and Bankruptcy Code that could impact the going concern status of the Company and its future operations.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of this report.

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was no change in the nature of business. However, the Company has amended its Memorandum of Association to enable its future outlook of expansion of product portfolio in India and overseas.

SHARE CAPITAL

During the year under review, your Company had made premature redemption of 25,00,000 Cumulative Redeemable Preference Shares (CRPS) of ₹ 100 each aggregating ₹ 25,00,00,000 on 30th October 2021 out of total CRPS of 70,00,000 CRPS of ₹ 100 each. Thus, preference share capital of the Company stands reduced to 45,00,000 CRPS of ₹ 100 each aggregating ₹ 45,00,00,000. Excepting this, there was no change in the capital structure of the Company.



Chairman's People Management Award

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Shri H V Lodha retires by rotation and being eligible, offers himself for re-appointment at the ensuing AGM.

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee has re-appointed Shri Nagaraju Srirama as Whole-time Director of the Company with the designation 'President & Director' for a term of three years commencing 28th May 2022, subject to requisite approval of Members of the Company at the ensuing AGM.

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

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

MEETINGS OF THE BOARD

Four Board Meetings were held during the twelve months period from 1st April 2021 to 31st March 2022 i.e., on 6th May 2021, 31st July 2021, 22nd October 2021 and 31st January 2022. A separate meeting of Independent Directors was held on 31st January 2022.

AUDIT COMMITTEE

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

VIGIL MECHANISM

Pursuant to Section 177 of the Companies Act, 2013 and the Rules thereto, your Company has established a vigil mechanism for the directors and employees to

report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics policy, and any other event which would adversely affect the interests of the business of the Company. The details of establishment of such mechanism have been disclosed on the website of the Company. It is affirmed that no personnel have been denied access to the Audit Committee.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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



Up skill Training for Aqua Farmers

During the financial year ended 31st March 2022, no complaint has been filed with ICC with allegation of Sexual Harassment. Further, there were no complaints pending as on the end of the financial year 31st March 2022.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Committee has formulated a Nomination and Remuneration Policy pursuant to the provisions of Section 178 of the Companies Act, 2013. The policy is available at the website of the Company and the web link is <https://www.jkfenner.com/investors/company policy.pdf>.

The salient features of the Policy are as follows:

- (i) The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board for appointment as a Director of the Company:

(a) Qualifications & experience; (b) Positive attributes like-respect for Company's core values, professional integrity, strategic capability with business vision, etc.; (c) In case, the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as Independent Director as per the provisions of the Act and other applicable laws & regulations; (d) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.

(ii) The Committee will recommend to the Board appropriate compensation to Executive Directors subject to the provisions of the Act and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.

(iii) The evaluation of performance of the Board, its committees and the individual directors will be carried out by the Board, on an annual basis, in the manner specified by the Nomination and Remuneration Committee

of Directors for such evaluation and in accordance with the other applicable provisions of the Companies Act, 2013.

(iv) The Committee will review from time to time, the Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board diversity in mind while recommending any new name of Director for appointment to the Board.

(v) The eligibility criteria for appointment of Key Managerial Personnel (KMP) and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of KMP shall be filled by senior personnel having relevant qualifications and experience. The compensation structure for KMP and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be



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linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

PERFORMANCE EVALUATION

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

Accordingly, the Board of Directors made formal annual evaluation of its own performance and that of its committees and individual Directors in accordance with the manner specified by the Nomination and Remuneration Committee of Directors.

Performance of the Board was evaluated after seeking inputs from all the Directors on the basis

of the criteria such as adequacy of its composition and structure, effectiveness of Board processes, information and functioning, etc.

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

The Board also carried out evaluation of the performance of individual directors based on criteria such as attendance and effective participation and contributions at the meetings of the Board and its committees, exercise of his/her duties with due & reasonable care, skill and diligence, etc. In a separate meeting of the Independent Directors of the Company, performance of the non-independent Directors, performance of the Board as a whole and performance of the Chairman were evaluated, taking into account the views of Executive Directors of the Company. The Chairman of the Meeting of the Independent Directors apprised the Board about the evaluation carried by it, that the Independent Directors were fully satisfied in this regard.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

b) the accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) the annual accounts have been prepared on a going concern basis.

e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and

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

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

ACKNOWLEDGEMENTS

Your Directors wish to acknowledge and place on record their appreciation for the commitment and dedication of the employees of your Company.

Your Directors also wish to record their appreciation on the continued support and assistance received by the Company from its various stakeholders including valued Customers, Dealers, Suppliers, Shareholders, Bankers, and various Government authorities.

On behalf of the Board
Dr. Raghupati Singhania
Chairman

Place : New Delhi
Date : 28.04.2022

ANNEXURE A TO THE DIRECTORS' REPORT

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

(A) CONSERVATION OF ENERGY

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

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

- a) Reduction of neutral current by balancing phase wise distribution of load in process equipment's.
- b) Installation of Energy efficient dust collectors for Profile Grinding Machine.
- c) Right Sizing of Steam lines based on flow rate to reduce line losses.
- d) Installation of compact module Thermo Dynamic Traps and Flash jet vessel condensate transfer pump to maximize condensate recovery.
- e) Replacement of energy efficient (IE3) motors.
- f) Cycle time reduction in Curing Press and pot curing.
- g) Elimination of Chilled water in Pot curing process.
- h) Elimination of compressed Air in Rota curing process.
- i) Water recycling from Effluent treatment plant by Zero Liquid Discharge technology. Recycled water being used in process.
- j) Implementation of closed loop pipelines to eliminate process water recirculation pumps.
- k) Installation of Energy efficient dust collectors.
- l) Right sizing and Aluminum alloy pipes for Compressed air piping to minimize friction losses.
- m) Reduction of Steam pressure from 8bar to 3bar for Calendars and Fabric Dryer to reduce steam consumption.
- n) Right Sizing of Steam lines based on flow rate to reduce line losses.
- o) Installation Energy Efficient Steam Line Accessories for Rota cure Machines.
- p) Water recycling from Sewage and Effluent treatment plant by Membrane bio reactor technology. Recycled water being used in process.

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

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

The Hyderabad plant consumed about 43.22 lacs units of power from its solar plants located in Telangana which is about 62% of its energy requirement through renewable energy.

The Madurai plant consumed 73.77 lacs units of power from its solar plants and windmill located in Aralvaimozhi which is about 72.32% of its energy requirement through renewable energy.

(iii) the capital investment on energy conservation equipments:

Your Company has invested in various energy efficient systems at all the Plants, which helped to reduce specific power and fuel consumption around 5% YOY.

(B) TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption:

Company's Technology Team has worked on various breakthrough technology absorption projects to enable the Company to meet global customer requirements. Improvements done both on product offerings & manufacturing process capabilities. Benchmarking & Innovation are the key drivers.

- (ii) **the benefits derived like product improvement, cost reduction, product development or import substitution:**
- Company could develop and offer higher value for money belts in few segments. This has helped to improve the market share.
 - Company could develop belts for specific segment application, which helped to enhance the product life significantly.
- (iii) **in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) – Nil.**
- (iv) **the expenditure incurred on Research & Development:**
- i) **Areas of R&D Activities**
- The Company has been continuously upgrading its facilities to provide the best products to customers at competitive pricing, through product and process innovation.
- ii) **Research & Development Expenses**
- The capital expenditure incurred on R&D during the year was ₹ 0.30 crores and recurring expenditure amounted to ₹ 12.16 crores, with the total expenditure of ₹ 12.46 crores, 1.15% of the turnover.

(c) FOREIGN EXCHANGE EARNINGS AND OUTGO

₹ in Crores

	2021-22	2020-21
Earnings in Foreign Exchange	255.01	158.14
Foreign Exchange Outgo	141.34	96.61

On behalf of the Board

Place: New Delhi

Date: 28.04.2022

Dr. Raghupati Singhania

Chairman

ANNEXURE B TO THE DIRECTORS' REPORT

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**

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

The Members,

J.K. Fenner (India) Limited

CIN: U24231TN1992PLC062306

3, MADURAI-MELAKKAL ROAD

MADURAI – 625016.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by J.K. Fenner (India) Limited (CIN: U24231TN1992PLC062306) (hereinafter called "the Company") having its Registered Office at 3, Madurai-Melakkal Road, Madurai – 625 016 for the financial year ended 31st March, 2022. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) Since the Company is an unlisted Public Company and hence the question of complying with the provisions of the Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder does not arise;
- (iii) The Depositories Act, 2018 and the Regulations and Bye-laws framed thereunder;
- (iv) The Company has complied with the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment. There was no Foreign Direct Investment and External Commercial Borrowings during the year under review;
- (v) Since the Company is an unlisted Public Company, the provisions of the following Regulations (a to i) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 & the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity Regulations, 2021;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 & the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
 - i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) As per the information furnished to us by the Company, no specific laws/acts are applicable to the company. Based on the information furnished to us and explanation provided to us, we have examined the adequacy of systems and processes in place to monitor and ensure compliance with Labour laws, Economic laws, etc.

We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The Company has properly convened & recorded in compliance with Rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014 in respect of businesses that have been transacted through Video Conferencing / Audio Visual means. Further, the Circulars and Guidelines issued by the Ministry of Corporate Affairs in view of the pandemic pertaining to Board/ Committee meetings, General Meetings and other provisions of the Act and Rules have been complied with by the Company.

Based on the verification of the records and minutes, the decisions were carried out with the consent of majority of the Board of Directors / Committee Members and there were no dissenting Director(s)/member(s) views recorded in the minutes. Further in the case of minutes of the proceedings of the general meetings held during the year under review, there were no dissenting members recorded in the minutes.

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

We further report that during the audit period,

1. The company has obtained the approval of the members at the 28th Annual General Meeting held on September 14, 2021 for alteration of the Memorandum of Association (MOA) and Articles of Association (AOA) of the Company for amendment of Object clause and adoption of new set of Articles of Association in substitution of existing AOA under the Companies Act, 2013.
2. The company has redeemed 25,00,000 (Twenty five lakhs) Cumulative Redeemable Preference Shares of ₹ 100 each aggregating ₹ 25,00,00,000 (Twenty five crores) out of the total 70,00,000 CRPS of ₹ 100 each on 30th October, 2021 as approved by the Board of Directors at their meeting held on 22nd October 2021.
3. The company has obtained the approval of the Board of Directors at their meeting held on October 22, 2021 and 31st January, 2022 respectively for amalgamation of the wholly owned subsidiary of the Company, viz., Acorn Engineering Limited with the Company.

For R.SRIDHARAN & ASSOCIATES

COMPANY SECRETARIES

CS R.SRIDHARAN

CP No. 3239

FCS No. 4775

PR NO.657/2020

UIN: S2003TN063400

UDIN: F004775D000220861

Place : CHENNAI

Date : 28TH APRIL, 2022

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

The Members,
J.K. Fenner (India) Limited
3, MADURAI-MELAKKAL ROAD
MADURAI – 625016

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records as per the Auditing Standards (CSAS-1 to CSAS-4) and Guidance Notes on ICSI Auditing Standards and Guidance Note on Secretarial Audit issued by The Institute of Company Secretaries of India. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be filed by the company under the specified laws.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. It is the responsibility of the management of the company to devise proper systems to ensure compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards and to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For R.SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
PR NO.657/2020

Place : CHENNAI
Date : 28TH APRIL, 2022

UIN: S2003TN063400
UDIN: F004775D000220861

ANNEXURE C TO THE DIRECTORS’ REPORT

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD’S REPORT FOR FINANCIAL YEAR 2021-22

1. Brief outline on CSR Policy of the Company:

The Company has been one of the foremost proponents of inclusive growth and since inception, has been continuing to undertake projects for overall development and welfare of the society in areas pertaining to health care, education, livelihood intervention and rural development etc. This CSR Policy has been framed in accordance with Section 135 of the Companies Act, 2014 (the Act) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules) as amended from time to time. The Policy applies to all CSR projects and activities to be undertaken by the Company. The Policy contains the

approach and direction given by the Board of Directors, taking into account the recommendations of the CSR Committee. The CSR Policy also lays down the guiding principles for selection, implementation and monitoring of activities as well as formulation of the Annual Action Plan to carry out CSR Projects by the Company.

2. Composition of CSR Committee:

Sl. No	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Vikrampati Singhania	Managing Director (Chairman of the Committee), Non-Independent Director	2	2
2.	Shri Surendra Malhotra	Independent Director	2	2
3.	Shri Nagaraju Srirama	President & Director, Non-Independent Director	2	2

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company : **www.jkfenner.com**.
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) : **Not Applicable**.
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any. :

Sl. No	Financial Year	Amount available for set-off from preceding financial years (Rs. in Lakhs)	Amount required to be set-off for the financial year, if any (Rs. in Lakhs)	
			Budget	Spent
1.	2020-21	0.54	207.65	208.19
2.	2019-20	-	-	-
3.	2018-19	-	-	-
TOTAL		0.54	207.65	208.19

- Average net profit of the company as per section 135(5) : ₹ **10,915.86 Lacs**
- Two percent of average net profit of the company as per section 135(5) : ₹ **218.32 Lacs**
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : --
 - Amount required to be set off for the financial year, if any. : ₹ **0.54 Lacs**
 - Total CSR obligation for the financial year (7a+7b-7c). : ₹ **217.78 Lacs**
- CSR amount spent or unspent for the financial year (2021-22) :

Total Amount Spent for the Financial Year (in Rs. in Lakhs)	Amount Unspent (in Rs.)				
	Total amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
220.59	Nil	Not Applicable			Nil

(b) Details of CSR amount spent against ongoing projects for the financial year: **No ongoing projects.**

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	Location of the project District	Amount spent in the current financial year (Rs. in Lakhs)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation -Through Implementing Agency Name	CSR Registration number
1.	Health Care	Cl.(i)-Preventive health care and promotion of sanitation and making available safe drinking water.	No	Tamil Nadu	Madurai, Dindigul Ramnad & Kanchipuram	63.30	No.	Sankara Nethralaya MEEL India Vasan Eye Care	CSR00002623 CSR00024962 -
				Telangana	Sangareddy		No.	Swastava Cancer Centre & Agarwal Eye Hospital	- -
2.	Adult Literacy Programme	Cl.(ii)-Promoting education Livelihood Creation	No	Tamilnadu	Madurai, Kanyakumari	7.88	Yes.	--	-
	Self help Groups/ Skill Development Livelihood Creation		No	Telangana, Tamilnadu, Delhi, Punjab & Andhra Pradesh	Sangareddy, Madurai, Kanchipuram, Delhi, Jalandhar & Krishna	132.34	No.	Vishnu Cars & Varun Motors	- -
3.	Environment	Environmental sustainability, ecological balance and conservation of natural resources	No	Tamil Nadu & Telangana	Madurai, Kanchipuram & Sangareddy	14.69	Direct	--	-
Total						207.22			

(d) Amount spent in Administrative Overhead

: ₹ **2.39 Lacs**

(e) Amount spent on Impact Assessment, if applicable

: **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

: ₹ **220.59 Lacs**

(g) Excess amount for set off, if any.

: ₹ **0.54 Lacs**

Sl. No.	Particular	Amount (Rs. In Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5).	218.32
(ii)	Total amount spent for the Financial Year	220.59
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.27
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any.	--
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.27

9. (a) Details of Unspent CSR amount for the preceding three financial years : **Nil**
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) : **Nil**
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details)**
- (a) Date of creation or acquisition of the capital asset(s).]
- (b) Amount of CSR spent for creation or acquisition of capital asset] **Not Applicable**
- (c) Details of the entity or public authority or beneficiary under whose name such Capital asset is registered, their address etc.]
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)]
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : **Not Applicable**

Place : New Delhi
Date : 28th April 2022

(Shri Vikrampati Singhania)
Chairman, CSR Committee

(Shri Nagaraju Srirama)
President & Director

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

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of **J.K. FENNER (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, its Profit (including Other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in

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

In preparing the financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are 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)(i) of the Act, we are also responsible for expressing

our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant

deficiencies in internal control that we identify during our audit.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 39 to the financial statements;
 - The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, during the year ended 31st March, 2022.
 - (a) The management has represented that to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The management has represented that, no funds (which are material either individually or in aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above as required by Rule 11(e) of Companies (Audit & Auditors) Rules, 2014, as amended, contains any material mis-statement.
- v. (a) The interim dividend declared or paid during the

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

year by the company is in compliance with section 123 of the Companies Act, 2013 (Note No. 51).

- b) The final dividend proposed in the previous financial year, declared and paid by the Company during the year, is in compliance with section 123 of the Companies Act, 2013 (Note No. 51).
- c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members in the ensuing General Meeting. The amount of dividend proposed is in accordance with section 123 of the Companies Act, 2013.
- h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act.

For **LODHA & CO.,**
Chartered Accountants
Firm's Registration No. 301051E
(N. K. Lodha)
Partner
Membership No.085155
UDIN : 22085155AIJZZT7955

Place : New Delhi
Date : 28th April 2022

ANNEXURE "A" REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF J.K. FENNER (INDIA) LIMITED FOR THE YEAR ENDED MARCH 31, 2022.

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that:

- i. a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- b) As per the physical verification program, Property, Plant and Equipment were physically verified during the year by the Management according to the phased program designed to cover all the items over a period of three years (accordingly during the year, few items have been physically verified) which, in our opinion, provides for physical verification at reasonable intervals. Based on information and records provided, no material discrepancies were noticed on such verification.

- c) According to the information and explanations given to us and on the basis of our examination of the property tax receipts/registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties (including those pledged as securities against borrowings, which were examined based on relevant documents), (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements and included in property, plant and equipment and investment property and capital work-in progress are held in the name of the Company as at the balance sheet date.
- d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including right-of-use assets) or intangible assets does not arise.

- e) Based on the information and explanations furnished to us, no proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- (ii) (a) As per the physical verification program, the inventories of the Company (except stock lying with the third parties and in transit, for which confirmations have been received/material received) were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. Discrepancies noticed were not of 10% or more in the aggregate for each class of inventories on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us and as per the records verified, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns / statements filed by the Company with such banks or financial institutions are generally in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) The Company has made investments in one company during the year and has not provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.
- (a) The Company has not granted loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties during the year and hence reporting under clause (iii)(a) of the Order is not applicable to the Company.
- (b) The investments made during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3 (iii)(f) is not applicable.
- (iv) According to the information, explanations and representations provided by the management and

based upon audit procedures performed, we are of the opinion that in respect of loans granted, investments made and guarantees and securities provided, the Company has complied with the provisions of Sections 185 and 186 of the Act.

(v) In our opinion the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted and amounts deemed to be deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

(vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act in respect of the Company's products and services to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

(vii) (a) According to the records of the Company, the Company is generally been regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues with the appropriate authorities to the extent applicable.

There were no undisputed statutory dues payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31st March 2022 for

a period of more than six months from the date they become payable except the VAT/CST of ₹ 4.48 Lacs as explained by the management the amounts were remitted to the department but not yet presented for bank clearing, and interest of ₹ 77.71 Lacs on GST.

(b) According to the records and information & explanations given to us, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2022 on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	58.88	1996-97, 1998-99 to 2001-02, April to December 2002, 2003-04 & 2005-06	Commissioner Appeals, Meerut, Uttar Pradesh
Central Excise Act, 1944	Excise Duty	20.37	2010-11 to 2015-16	High Court, Chennai
Finance Act, 1994	Service Tax	21.92	April '16 to June '17	Assistant / Dy. Commissioner (Madurai)
Finance Act, 1994	Service Tax	8.51	July '15 to March '16	Commissioner (Appeals), Madurai
Central Sales Tax Act and Sales Tax Act of various States	Sales Tax	33.18	1993-94 to 2001-02	Assistant / Dy. Commissioner (Madurai)

Name of the Statute	Nature of Dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act and Sales Tax Act of various States (UP)	Sales Tax	126.98	1991-92 to 2004-05	Sales Tax Committee, (Tribunal), Moradabad, U.P.
Rajasthan Value Added Tax 2003	Sales Tax	487.09	2012-13 & 2013-14	Rajasthan Tax Board, Ajmer
Haryana VAT Act, 2003	Sales Tax	5.49	2014-15	Assessing officer, Gurugram
The West Bengal Tax on Entry of Goods into Local Areas Act	Entry Tax	69.00	2013-14 to 2016-17	High Court, Calcutta
The Income Tax Act, 1961	Income Tax	151.22	2018-19	CIT (Appeals)

(viii) According to the information and explanations given to us and the records of the Company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), that has not been recorded in the books of account.

ix. (a) On the basis of audit procedures and according to the information and explanations given to us, in our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained. There were no unutilized term loans at the beginning of the year.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company and based on the representations of the Company, we report that the Company has neither taken any funds from any entity or person during the year nor it has raised funds through issue of shares or borrowings on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its Subsidiaries or joint ventures or associate companies.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting

under clause(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under section 143(12) of the Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. According to the information and explanations and records made available by the management of the Company and audit procedures performed, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and till date in determining the nature, timing and extent of our audit procedures.

xv. On the basis of records made available to us and according to information and explanations

given to us, the Company has not entered into non-cash transactions with the directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, reporting under clause 3(xvi)(a) of the Order is not applicable.

(b) The Company has not conducted non-banking financial/ housing finance activities during the year. Accordingly, reporting under clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulation made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable.

(d) Based on the information and explanations provided by the management of the Company, there are two CIC within the group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016). We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company and/ or certificate with respect to meeting financial obligations by the Company as and when they fall due. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of subsection (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- xxi. The Company has not prepared the Consolidated Financial Statements by availing the exemption mentioned in the Notification 742(E) dated 27th July 2016 issued by Ministry of Corporate Affairs and paragraph 4(a) of Ind AS 110 "Consolidated Financial Statements" and accordingly reporting under clause 3(xxi) of the Order is not applicable.

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

(N. K. Lodha)

Partner

Membership No.085155

Place : New Delhi

Date : 28th April 2022

ANNEXURE ‘B’ TO THE INDEPENDENT AUDITOR’S REPORT

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF J.K. FENNER (INDIA) LIMITED FOR THE YEAR ENDED MARCH 31, 2022

**(Referred to in paragraph 2(f)
under ‘Report on Other Legal and
Regulatory Requirements’ section
of our report of even date)**

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

We have audited the internal financial controls over financial reporting of J.K. FENNER (INDIA) LIMITED (“the Company”) as of 31st March, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were

operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in

reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(N. K. Lodha)

Partner

Membership No.085155

Place : New Delhi

Date : 28th April 2022

J.K. FENNER (INDIA) LTD.
BALANCE SHEET AS AT 31ST MARCH, 2022

₹ in Lacs

	Note No.	As at 31.03.2022	As at 31.03.2021
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	29,010.25	29,930.16
(b) Right to use assets	3	1,240.75	395.58
(c) Capital work-in-progress	4	2,889.64	2,871.91
(d) Investment property	5	28.68	10.28
(e) Intangible assets	6	127.84	115.37
(f) Intangible assets under development	6A	-	4.18
(g) Financial Assets			
i) Investments	7	17,694.76	20,134.97
ii) Loans	8	11,500.00	15,000.00
iii) Other financial assets	9	4,656.77	2,889.81
(h) Other non-current assets	10	998.14	717.24
		68,146.83	72,069.50
(2) Current Assets			
(a) Inventories	11	17,529.19	11,921.58
(b) Financial Assets			
i) Investments	12	604.82	836.27
ii) Trade receivables	13	22,284.50	13,012.85
iii) Cash and cash equivalents	14	6,183.61	4,318.98
iv) Other bank balances	15	5,217.99	5,462.06
v) Loans	16	-	2,650.00
vi) Other financial assets	17	967.63	714.31
(c) Current tax assets (net)	18	4,268.43	4,182.27
(d) Other Current Assets	19	4,814.75	3,444.16
		61,870.92	46,542.48
TOTAL ASSETS		1,30,017.75	1,18,611.98
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	20	248.31	248.31
(b) Other Equity		77,241.89	67,727.82
		77,490.20	67,976.13
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	21	14,600.08	17,344.70
ia) Lease liabilities	52	1,142.47	335.64
ii) Other financial liabilities	22	4,231.87	4,634.59
(b) Provisions	23	518.14	594.02
(c) Deferred tax liabilities (Net)	24	1,846.80	1,376.28
(d) Other Non-Current Liabilities	25	677.04	672.19
		23,016.40	24,957.42
(2) Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	26	7,786.99	5,933.98
ia) Lease liabilities	52	209.44	97.96
ii) Trade payables	27		
Micro and Small Enterprises		3,079.10	1,969.73
Others		5,769.76	7,152.89
iii) Other financial liabilities	28	5,492.53	4,516.14
(b) Other Current Liabilities	29	7,092.11	5,732.34
(c) Provisions	30	81.22	275.39
		29,511.15	25,678.43
TOTAL EQUITY AND LIABILITIES		1,30,017.75	1,18,611.98

Company overview, Basis of preparation and Significant Accounting Policies

1

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

As per our report of even date

RAGHUPATI SINGHANIA
Chairman

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

VIKRAMPATI SINGHANIA
Managing Director

N.K. LODHA
Partner

R.VIJAYARAGHAVAN
Company Secretary
New Delhi, the 28th April 2022

AMIT AGARWAL
Chief Financial Officer

H.V. LODHA
HARSH PATI SINGHANIA
SURENDRA MALHOTRA
NAGARAJU SRIRAMA
Directors

New Delhi, the 28th April 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Lacs

	Note No.	2021-2022	2020-2021
I Income			
Revenue from Operations	31	1,05,059.70	77,858.34
Other Income	32	3,751.91	4,115.21
Total Income		1,08,811.61	81,973.55
II Expenses			
Cost of materials consumed		46,513.57	31,319.71
Changes in inventory of finished goods, stock in trade and work-in-progress	33	(1,255.96)	1,242.07
Purchase of stock in trade		7,660.51	4,898.91
Employee benefits expense	34	14,443.33	13,044.83
Finance costs	35	1,476.95	1,681.74
Depreciation and amortisation expense	36	4,562.56	4,371.30
Other expenses	37	21,782.79	15,994.47
Total expenses		95,183.75	72,553.03
III Profit / (Loss) before tax		13,627.86	9,420.52
IV Tax expense			
Current tax		4,008.50	2,914.80
Deferred tax		56.75	(90.03)
V Profit / (Loss) for the year		9,562.61	6,595.75
VI Other Comprehensive Income			
Items that will not be subsequently reclassified to Statement of Profit and Loss			
Fair value (loss)/ Gain of Equity instruments		1,775.64	312.78
Remeasurement (loss) / gain of the net defined benefit plan		79.43	(354.05)
Income tax relating to Items that will not be Reclassified to Statement of Profit and loss		(413.77)	89.11
Total Other Comprehensive Income		1,441.30	47.84
VII Total Comprehensive Income for the year		11,003.91	6,643.59
VIII Earnings per equity share of ₹ 10 each			
Basic / Diluted	49	₹ 385.11	₹ 265.63

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

As per our report of even date

RAGHUPATI SINGHANIA
Chairman

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

VIKRAMPATI SINGHANIA
Managing Director

N.K. LODHA
Partner

R.VIJAYARAGHAVAN
Company Secretary
New Delhi, the 28th April 2022

AMIT AGARWAL
Chief Financial Officer

H.V. LODHA
HARSH PATI SINGHANIA
SURENDRA MALHOTRA
NAGARAJU SRIRAMA
Directors

New Delhi, the 28th April 2022

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Lacs

I Share Capital

Particulars	As at 31.03.2022	As at 31.03.2021
Issued, Subscribed and fully paid up:		
Equity Shares – 24,83,066 of ₹ 10 each		
Balance at the beginning of the year	248.31	248.31
Changes in equity share capital during the year	-	-
Balance at the end of the year	248.31	248.31

II Other Equity

Particulars	Reserve and Surplus					Items of Other Comprehensive Income			Total
	Securities Premium	Capital Reserve	Capital Redemption Reserve	Retained Earnings	General Reserve	Fair value (loss)/ Gain of Equity instru- ments	Remea- surement (loss)/ gain of the net defined benefit plan	Income Tax relating to items that will not be Reclassified to Statement of Profit and loss	
As on 1 st April, 2020	140.00	258.11	77.10	19,006.81	40,888.49	1,729.99	(406.32)	134.97	61,829.15
Profit for the year	-	-	-	6,595.75	-	-	-	-	6,595.75
Other Comprehensive Income	-	-	-	-	-	312.78	(354.05)	89.11	47.84
Dividend paid	-	-	-	(744.92)	-	-	-	-	(744.92)
As on 31st March, 2021	140.00	258.11	77.10	24,857.64	40,888.49	2,042.77	(760.37)	224.08	67,727.82
Profit for the year	-	-	-	9,562.61	-	-	-	-	9,562.61
Other Comprehensive Income	-	-	-	-	-	1,775.64	79.43	(413.77)	1,441.30
Dividend paid	-	-	-	(1,489.84)	-	-	-	-	(1,489.84)
*Transfer to capital redemption reserve (Refer Note no 21(vii))	-	-	2,500.00	(2,500.00)	-	-	-	-	-
As on 31st March, 2022	140.00	258.11	2,577.10	30,430.41	40,888.49	3,818.41	(680.94)	(189.69)	77,241.89

As per our report of even date

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

N.K. LODHA
Partner

R.VIJAYARAGHAVAN
Company Secretary
New Delhi, the 28th April 2022

RAGHUPATI SINGHANIA
Chairman

VIKRAMPATI SINGHANIA
Managing Director

AMIT AGARWAL
Chief Financial Officer

H.V. LODHA
HARSH PATI SINGHANIA
SURENDRA MALHOTRA
NAGARAJU SRIRAMA
Directors

New Delhi, the 28th April 2022

J.K. FENNER (INDIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1.1 The Company overview

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

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

1.2 Basis of preparation of financial statements

(i) Basis of preparation and Statement of compliance

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

(ii) Basis of Measurement

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

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

1.3 Significant accounting policies

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

1.3.1 Property, Plant and Equipment

Recognition and measurement

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Depreciation

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

1.3.2 Investment property

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

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

Assets are transferred from/ to Investment property to/ from Property, plant & equipment when there is an evidence of change in use. Assets are transferred from/ to Investment property at carrying value.

1.3.3 Intangible Assets :

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

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

1.3.4 Research and Development Cost

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

1.3.5 Lease

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

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

Right of Use Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

Lease Liabilities

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

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

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

Short-term Leases and leases of low-value assets

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

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

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

1.3.6 Foreign currency transactions and translation

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

1.3.7 Inventories

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

1.3.8 Borrowing cost

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

1.3.9 Employee benefits

(a) Defined contribution plans

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

(b) Defined benefit plan

Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit plan and determined on an actuarial valuation using the projected unit credit method at the Balance Sheet date. Actuarial gains

NOTES TO THE FINANCIAL STATEMENTS

or losses through remeasurement of the net obligation of a defined benefit liability or asset are recognised in Other Comprehensive Income. Such re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

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

(c) Short term employee benefits

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

1.3.10 Income tax

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

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

1.3.11 Provisions and Contingencies

a) Provisions

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

b) Contingencies

A disclosure for contingent liability is made when there is possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are reviewed at each balance sheet date.

Contingent assets are neither recognised nor disclosed in the financial statements.

1.3.12 Financial instruments

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

(a) Financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

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

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

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

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

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

(b) Financial liabilities

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

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

Financial liabilities at amortised cost

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

NOTES TO THE FINANCIAL STATEMENTS

Financial liabilities at fair value through profit or loss:

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

1.3.13 Derivative financial instruments

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

1.3.14 Revenue

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

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

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

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

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

Interest income is recognised using the effective interest rate method.

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

1.3.15 Government Grants

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with. Revenue grants are recognised in the Statement of Profit and Loss. Capital Grants relating to specific assets are recognised in the Balance Sheet as deferred income and credited in statement of profit and loss on a systematic basis over the useful life of the related asset.

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

1.3.16 Impairment

The carrying amount of property, plant and equipments, intangible assets and investment property are reviewed at each Balance Sheet date to assess impairment if any, based on internal / external factors. An asset is treated as impaired,

NOTES TO THE FINANCIAL STATEMENTS

when the carrying cost of asset or cash generating unit exceeds its recoverable value, being higher of value in use and fair value less costs of disposal. An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount.

1.3.17 Earnings per share (EPS)

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

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

1.3.18 Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

NON CURRENT ASSETS

2 Property, plant and equipment

Particulars	Gross Value						Depreciation					Net Value		
	As at 01/04/2021	Additions	Trans- fer from invest- ment property	Sales/ Adjus- ments	Trans- fer to invest- ment pro perty	As at 31/03/2022	As at 01/04/2021	Transfer from in vest- ment pro perty	For the year	Sales/ Adjust- ments	Trans- fer to in vest- ment pro perty	As at 31/03/2022	As at 31/03/2022	As at 31/03/2021
Land - Free hold	2,674.99	-	5.75	-	-	2,680.74	-	-	-	-	-	-	2,680.74	2,674.99
	(2,674.99)	-	-	-	-	(2,674.99)	-	-	-	-	-	-	(2,674.99)	(2,674.99)
Land - Lease hold	331.37	-	-	-	-	331.37	32.64	-	3.43	-	-	36.07	295.30	298.73
	(331.37)	-	-	-	-	(331.37)	(28.95)	-	(3.69)	-	-	(32.64)	(298.73)	(302.42)
Buildings	9,272.82	429.62	37.94	-	48.71	9,691.67	3,710.42	33.47	391.66	-	19.47	4,116.08	5,575.59	5,562.40
	(9,203.84)	(68.98)	-	-	-	(9,272.82)	(3,302.37)	-	(408.05)	-	-	(3,710.42)	(5,562.40)	(5,901.47)
Plant and Equipment	54,298.36	2,265.97	-	78.06	-	56,486.27	33,755.74	-	3,601.19	41.25	-	37,315.68	19,170.59	20,542.62
	(51,274.36)	(3,135.15)	-	(111.15)	-	(54,298.36)	(30,452.54)	-	(3,402.71)	(99.51)	-	(33,755.74)	(20,542.62)	(20,821.82)
Furniture and Fixtures	1,181.76	19.03	-	-	-	1,200.79	941.21	-	51.86	-	-	993.07	207.72	240.55
	(1,131.09)	(57.38)	-	(6.71)	-	(1,181.76)	(892.59)	-	(54.73)	(6.11)	-	(941.21)	(240.55)	(238.50)
Vehicles	680.92	121.11	-	42.00	-	760.03	358.73	-	88.73	42.00	-	405.46	354.57	322.19
	(692.80)	(119.26)	-	(131.14)	-	(680.92)	(352.72)	-	(101.47)	(95.46)	-	(358.73)	(322.19)	(340.08)
Office Equipments	1,811.54	606.79	-	9.96	-	2,408.37	1,522.86	-	169.23	9.46	-	1,682.63	725.74	288.68
	(1,752.08)	(71.19)	-	(11.73)	-	(1,811.54)	(1,384.47)	-	(149.42)	(11.03)	-	(1,522.86)	(288.68)	(367.61)
Total	70,251.76	3,442.52	43.69	130.02	48.71	73,559.24	40,321.60	33.47	4,306.10	92.71	19.47	44,548.99	29,010.25	29,930.16
	(67,060.53)	(3,451.96)	-	(260.73)	-	(70,251.76)	(36,413.64)	-	(4,120.07)	(212.11)	-	(40,321.60)	(29,930.16)	(30,646.89)

Figures in brackets represent amounts pertaining to previous year.

- a) Land, buildings and plant & equipment transferred under the Scheme of Amalgamation during the year 2006-07 were revalued as at 31st August 1985 and as at 31st March 1995. The revaluation in respect of factory, service buildings and plant and equipment was further updated as at 31st March 1998 based on current replacement cost by a valuer and as a result, book value of the said assets had been increased by ₹ 2990.53 lacs.
- b) Plant and equipment includes certain equipment ₹ 10,200 lacs (Previous year ₹ 10,200 lacs) given on lease (Refer Note No. 42).

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

3 Right to use assets

Particulars	Gross Value				Depreciation				Net Value	
	As at 1/04/2021	Addi- tions	Sales/ Adjustments	As at 31/03/2022	As at 1/04/2021	For the year	Sales/ Adjustments	As at 31/03/2022	As at 31/03/2022	As at 31/03/2021
Right to use assets	801.97	1,064.52	226.72	1,639.77	406.39	218.67	226.04	399.02	1,240.75	395.58
	(689.72)	(121.06)	(8.81)	(801.97)	(197.70)	(210.51)	(1.82)	(406.39)	(395.58)	(492.02)
Total	801.97	1,064.52	226.72	1,639.77	406.39	218.67	226.04	399.02	1,240.75	395.58
	(689.72)	(121.06)	(8.81)	(801.97)	(197.70)	(210.51)	(1.82)	(406.39)	(395.58)	(492.02)

Figures in brackets represent amounts pertaining to previous year.

4 Capital Work-In-Progress

	As at 31.03.2022	As at 31.03.2021
Capital Work-In-Progress	2,889.64	2,871.91
	2,889.64	2,871.91

Capital Work-In-Progress ageing schedule

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 years	
As at March 31, 2022					
Projects in Progress	1,509.39	1,186.04	129.00	65.21	2,889.64
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2021					
Projects in Progress	2,277.39	524.57	38.68	31.27	2,871.91
Projects temporarily suspended	-	-	-	-	-

NON CURRENT ASSETS

5 Investment Property

Particulars	Gross Value						Depreciation						Net Value	
	As at 01/04/2021	Addi- tions	Trans- fer from Property plant and equip- ment	Sales/ Adjus- ments	Trans- fer to Property plant and equip- ment	As at 31/03/2022	As at 01/04/2021	Trans- fer from Property plant and equip- ment	For the year	Sales/ Adjust- ments	Trans- fer to Property plant and equip- ment	As at 31/03/2022	As at 31/03/2022	As at 31/03/2021
Land - Free hold	5.75 (5.75)	-	-	-	5.75	- (5.75)	-	-	-	-	-	-	- (5.75)	5.75 (5.75)
Buildings	37.94 (37.94)	-	48.71	-	37.94	48.71 (37.94)	33.41 (33.29)	19.47	0.62 (0.12)	-	33.47	20.03 (33.41)	28.68 (4.53)	4.53 (4.65)
Total	43.69 (43.69)	-	48.71	-	43.69	48.71 (43.69)	33.41 (33.29)	19.47	0.62 (0.12)	-	33.47	20.03 (33.41)	28.68 (10.28)	10.28 (10.40)

Figures in brackets represent amounts pertaining to previous year.

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

6 Intangible assets

Particulars	Gross Value				Amortisation			Net Value		
	As at 1/04/2021	Additions	Sales / Adjust- ments	As at 31/03/2022	As at 1/04/2021	For the year	Sales / Adjust- ments	As at 31/03/2022	As at 31/03/2022	As at 31/03/2021
Software	833.29 (816.06)	49.99 (20.31)	7.07 (3.08)	876.21 (833.29)	718.38 (680.86)	37.17 (40.60)	6.72 (3.08)	748.83 (718.38)	127.38 (114.91)	114.91 (135.20)
Trade mark License	501.35 (501.35)	- -	- -	501.35 (501.35)	500.89 (500.89)	- -	- -	500.89 (500.89)	0.46 (0.46)	0.46 (0.46)
Total	1,334.64 (1,317.41)	49.99 (20.31)	7.07 (3.08)	1,377.56 (1,334.64)	1,219.27 (1,181.75)	37.17 (40.60)	6.72 (3.08)	1,249.72 (1,219.27)	127.84 (115.37)	115.37 (135.66)

Figures in brackets represent amounts pertaining to previous year.

6A Intangible assets under development

	As at 31.03.2022	As at 31.03.2021
Intangible assets under development	-	4.18
	-	4.18

Intangible assets under development ageing schedule

Particulars	Amount in intangible asset under development for a period of				Total
	Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 years	
As at March 31, 2022					
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2021					
Projects in Progress	1.34	-	2.12	0.72	4.18
Projects temporarily suspended	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

7 Financial Assets – Investments [Non – Current (Other than trade)]

₹ in Lacs

Particulars	As at 31.03.2022		As at 31.03.2021	
	Numbers	Amount	Numbers	Amount
Investment in Equity shares				
Subsidiary companies (At cost)				
Southern Spinners and Processors Ltd. (₹ 10 each)	50,50,000	2,055.00	50,50,000	2,055.00
Modern Cotton Yarn Spinners Ltd. (₹ 10 each)	30,50,000	1,555.00	30,50,000	1,555.00
Acorn Engineering Ltd. (₹ 10 each)	50,500	5.05	50,500	5.05
Divyashree Company Private Ltd (₹ 10 each)	7,123	8,016.70	7,123	8,016.70
JKF Americas, Inc.(US \$ 1 each)	1,000	0.73	1,000	0.73
Associate Company (At cost)				
Dwarkesh Energy Ltd. (₹ 10 each)	2,74,940	27.49	2,74,940	27.49
PSV Energy Pvt. Ltd. (₹ 10 each)	52,000	5.20	52,000	5.20
Gram Power Infrastructure Pvt Ltd (₹ 10 each)	2,600	0.14	-	-
Others (At fair value through OCI)				
CliniRx Research Pvt. Ltd. (₹ 10 each)	10,00,000	110.97	10,00,000	110.97
Others (At cost)*				
Madura Coats Workers' Co-operative Stores Ltd. (₹ 10 each)	15,790	0.16	15,790	0.16
Hari Shankar Singhania Elastomer and Tyre Research Institute (₹ 100 each)	10	0.01	10	0.01
The Madurai District Pandian Consumers' Co-operative Wholesale Stores Ltd. 'A' Class Share (₹ 50 each)	1	-	1	-
Investment in preference shares (At fair value through P & L)				
Dwarkesh Energy Ltd.(7% Optionally Convertible Cumulative Redeemable Preference Shares, fully paid up) (₹ 100 each)	11,00,000	1,208.66	11,00,000	1,208.66
Investment in preference shares (At Cost)				
HSS Holdings Private Ltd (1% Cumulative Redeemable Preference Shares) (₹ 100 each)	45,00,000	4,500.00	70,00,000	7,000.00
CliniRx Research Pvt. Ltd (8% Optionally Convertible Cumulative Redeemable Preference Shares) (₹ 10 each)	15,00,000	150.00	15,00,000	150.00
Investment in Other funds (At fair value through P & L)	57,70,052	59.65	-	-
Class AI-T units of UTI Structured Debt Opportunities Fund II		17,694.76		20,134.97
Aggregate amount of quoted investments		-		-
Market value of quoted investments		-		-
Aggregate market value of unquoted investments		17,694.76		20,134.97
Aggregate book value of unquoted investments		17,695.11		20,134.97
Aggregate provision for impairment in value of investments		-		-

Pursuant to the Scheme of Amalgamation, 180589 (Previous year 180589) Shares of Bengal & Assam Company Ltd (BACL) are held in the name of a Trustee on behalf of the Company, being Subsidiary of BACL against their holding in Netflir Finco Ltd. Accordingly, the amount against the said shares is shown under Other Financial Asset (Non Current) ₹ 4256.39 lacs. (Previous year ₹ 2480.75 lacs).

*Refer Note No. 63

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

	As at 31.03.2022	As at 31.03.2021
8 Loans (Non-Current)		
(Unsecured, considered good)		
Loans to related party (Refer Note No. 65)	11,500.00	15,000.00
	11,500.00	15,000.00

9 Other Financial Assets (Non- Current)		
Security deposits	400.38	409.06
Other receivables	4,256.39	2,480.75
	4,656.77	2,889.81

10 Other Non - Current Assets		
Capital advances	784.87	532.45
Balances with Government Authorities	11.62	13.26
Others	201.65	171.53
	998.14	717.24

11 Inventories (Valued at lower of cost or net realisable value)		
Raw materials*	7,669.86	3,702.71
Work-in-progress	1,192.79	939.66
Finished goods **	5,651.68	5,778.60
Stock -in -trade	2,147.45	1,017.69
Stores and spares	867.41	482.92
	17,529.19	11,921.58

*Includes raw materials in transit ₹ 315.01 lacs (Previous year: ₹ 890.72 lacs)

**Includes finished goods in transit ₹ 231.03 lacs (Previous year: ₹ 702.03 lacs).

12 Current Investments		
Investments in Mutual Funds (Quoted) (At fair value through Profit and Loss)		
Investments in Mutual Fund	604.82	836.27
Aggregate market value of quoted investments	604.82	836.27
Aggregate book value of quoted investments	604.82	836.27
Aggregate cost of quoted investments	599.97	821.75

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

	As at 31.03.2022	As at 31.03.2021
13 Trade Receivables		
Considered good - Undisputed		
Secured	1,537.52	1,387.61
Unsecured	20,746.98	11,625.24
Unsecured which have significant increase in credit risk	-	-
Credit Impaired	-	-
Total	22,284.50	13,012.85
Less : Allowance for expected credit loss	-	-
	22,284.50	13,012.85

Trade receivables ageing schedule

Particulars	Not due	Outstanding for the following period from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022							
Considered good - Undisputed							
Secured	1,226.33	292.53	15.92	2.68	0.06	-	1,537.52
Unsecured	18,248.63	2,351.37	109.57	28.62	8.79	-	20,746.98
Unsecured which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	19,474.96	2,643.90	125.49	31.30	8.85	-	22,284.50
As at March 31, 2021							
Considered good - Undisputed							
Secured	1,128.92	250.34	3.74	2.73	-	1.88	1,387.61
Unsecured	9,474.63	2,101.42	25.79	19.79	3.02	0.59	11,625.24
Unsecured which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	10,603.55	2,351.76	29.53	22.52	3.02	2.47	13,012.85

	As at 31.03.2022	As at 31.03.2021
14 Cash and cash equivalents		
Balances with banks		
Current accounts	576.05	626.40
Fixed Deposits with original maturity of 3 months or less	5,600.00	3,690.00
Cash on hand	7.56	2.58
	6,183.61	4,318.98

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

	As at 31.03.2022	As at 31.03.2021
15 Other bank balances		
Fixed Deposits (Deposit repayment reserve)	331.42	272.21
Fixed Deposits with original maturity of more than 3 months but maturing within 12 months	4,602.00	4,930.00
Margin money deposit against bank guarantee	284.57	259.85
	5,217.99	5,462.06

16 Loans (Current)

(Unsecured, considered good)

Loans to related party (Refer Note No. 65)		
	-	2,650.00
	-	2,650.00

17 Other financial assets

Security Deposits	18.81	16.25
Advance to Employees	46.47	0.06
Other receivables	902.35	698.00
	967.63	714.31

18 Current tax assets (Net)

Advance income-tax (Net of Provision ₹ 9206.86 lacs (Previous year: ₹ 8481.54 lacs)	4,268.43	4,182.27
	4,268.43	4,182.27

19 Other Current Assets

Balances with Government Authorities	3,507.38	2,483.35
Export benefit receivable	465.07	530.94
Other advances	842.30	429.87
	4,814.75	3,444.16

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
20 Share capital		
a) Authorised:		
Equity Shares – 1,00,00,000 (Previous year 1,00,00,000) equity shares of ₹ 10 each	1,000.00	1,000.00
Preference Shares – 80,00,000 (Previous year 80,00,000) preference shares of ₹ 100 each	8,000.00	8,000.00
	9,000.00	9,000.00
b) Issued, Subscribed and fully paid up:		
Equity Shares – 24,83,066 of ₹ 10 each		
Balance at the beginning of the year	248.31	248.31
Changes in equity share capital during the year	-	-
Balance at the end of the year	248.31	248.31
Aggregate number of equity shares allotted to shareholders as fully paid up pursuant to Scheme of amalgamation on 7 th November 2007 without payment being received in cash (Nos)	23,13,000	23,13,000
Above includes shares allotted to holding company (Nos)	20,97,522	20,97,522
c) Reconciliation of the number of equity shares outstanding:		
Shares outstanding as at the beginning of the year	24,83,066	24,83,066
Add : Issued during the year	-	-
Less : Redeemed during the year	-	-
Shares outstanding as at the end of the year	24,83,066	24,83,066

d) Details of each shareholder holding more than 5% equity shares

Name of the shareholder	As at 31.03.2022		As at 31.03.2021	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class
Equity shares of ₹ 10 each fully paid				
Bengal & Assam Company Limited – Holding Company	21,89,580	88.18%	21,89,580	88.18%
Henry F. Cockill & Sons Ltd. U.K	1,54,200	6.21%	1,54,200	6.21%

e) Shareholding of promoters

Promoter Name	No of Shares	% of Total Shares held	% change during the period
Bengal & Assam Company Limited – March 31, 2022	21,89,580	88.18%	-
– March 31, 2021	21,89,580	88.18%	-

f) Rights and preferences attached to the equity shares

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

g) Reconciliation of the number of preference shares outstanding:

	2021-2022	2020-2021
Shares outstanding as at the beginning of the year	70,00,000	70,00,000
Add : Issued during the year	-	-
Less : Redeemed during the year	25,00,000	-
Shares outstanding as at the end of the year	45,00,000	70,00,000

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

h) Details of each shareholder holding more than 5% preference shares

Name of the shareholder	As at 31.03.2022		As at 31.03.2021	
	No. of shares held	% holding in the class	No. of shares held	% holding in the class
Preference shares of ₹ 100 each fully paid				
JK Tyre and Industries Ltd.	45,00,000	100%	70,00,000	100%

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

Aggregate number of share issued for consideration other than cash, bonus shares issued and share bought back during the

- period of five years immediately preceding the reporting date - NIL.

NON-CURRENT LIABILITIES

21 Financial Liabilities - Borrowings

Particulars	Non - Current		Current *	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Secured Loans				
Term loans				
Banks	9,536.68	7,853.00	1,914.32	2,642.00
Unsecured				
Banks	-	514.35	427.38	286.78
Fixed Deposits	563.40	1,977.35	1,398.40	1,434.30
1% Cumulative Redeemable Preference Shares	4,500.00	7,000.00	-	-
	14,600.08	17,344.70	3,740.10	4,363.08

* Payable during next 12 months

- Term loan of ₹ 6097.22 lacs (Previous year ₹ 7614.21 lacs) from a bank is secured by way of first charge on certain specified movable and immovable fixed assets of the company, balance amount repayable in 8 Half yearly equal instalments.
- Term loan of ₹ NIL (Previous year ₹ 833.76 lacs) from a bank is secured by way of first charge on certain specified movable fixed assets of the company.
- Term loan of ₹ 1260.25 lacs (Previous year ₹ 1547.12) from a bank is secured by way of 50% of first charge on certain specified movable fixed assets of the company, balance amount repayable in 14 equal quarterly instalments.
- Term loan of ₹ 4093.53 lacs (Previous year ₹ 499.91 lacs) from a bank is secured by way of first charge on certain specified movable fixed assets of the company, balance amount repayable (after moratorium period of 12 months) in 14 half yearly unequal installments starting from September 2022.
- Unsecured loans from banks include Buyer's credit of ₹ 427.38 lacs are payable in 2022-23. (Previous year ₹ 801.13 lacs).
- Fixed Deposit of ₹ 1398.40 lacs and ₹ 563.40 lacs aggregating ₹ 1961.80 lacs are due for repayment in 2022-23 and 2023-24 respectively.
- During the year 2017-18, cumulative redeemable preference shares were issued at par value of ₹ 100 per share redeemable in five equal installments alongwith 4% premium on redemption including coupon rate (1%) at the end of each of 6/7/8/9/10th year, i.e., from the date of allotment 26th April 2017. During the year, the Company has redeemed 25,00,000 cumulative redeemable preference shares of ₹ 100 each at 4% premium i.e., ₹ 2863.12 lacs and ₹ 2500 lacs (nominal amount) was transferred to capital redemption reserve.

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

	As at 31.03.2022	As at 31.03.2021
22 Other financial liabilities		
Trade deposits	2,348.30	1,929.04
Deferred payment liabilities	1,790.43	2,610.43
Others	93.14	95.12
	4,231.87	4,634.59
23 Non-Current Provisions		
Provision for employee benefits		
Leave Encashment	518.14	594.02
	518.14	594.02
24 Deferred tax liabilities (Net)		
Deferred tax liabilities:		
Property, Plant and Equipment and Others	2,453.54	1,637.37
Deferred tax assets:		
Expenses / Provision Allowable	(606.74)	(261.09)
	1,846.80	1,376.28
25 Other Non - Current liabilities		
Other liabilities	677.04	672.19
	677.04	672.19
26 Financial Liabilities - Borrowings		
i) Short term borrowings		
Secured		
Working capital borrowings from banks	4,046.89	220.30
Unsecured		
a) Banks	-	1,198.65
b) Fixed deposits	-	151.95
ii) Current maturities of long term debt		
Secured		
Term loans - Banks	1,914.32	2,642.00
Unsecured		
a) Banks	427.38	286.78
b) Fixed deposits	1,398.40	1,434.30
	7,786.99	5,933.98

- a) Working Capital borrowings from banks is secured by hypothecation and by first charge on stocks and book debts, etc., both present & future and by second charge on the immovable assets of the Company, on pari passu basis with other banks. Buyer's credit ₹ 2909.98 lacs (Previous year Nil) is secured by subservient charge on current assets.
- b) Unsecured loans from banks include Buyer's credit outstanding Nil. (Previous year ₹ 1198.65 lacs).
- c) The periodical returns/ statement filed by the Company with respect to working capital taken from banks on the basis of security of current assets, are in agreement with books of accounts.

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

	As at 31.03.2022	As at 31.03.2021
27 Financial Liabilities – Trade payables (Refer Note no 43)		
Micro and Small Enterprises	3,079.10	1,969.73
Other payables	5,769.76	7,152.89
	8,848.86	9,122.62

Trade payables ageing schedule

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022						
MSME	3,249.52	-	-	-	-	3,249.52
Others	4,155.82	1,312.97	24.93	47.81	57.81	5,599.34
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-
Total	7,405.34	1,312.97	24.93	47.81	57.81	8,848.86
As at March 31, 2021						
MSME	2,318.84	-	-	-	-	2,318.84
Others	4,506.26	2,057.96	141.30	28.23	70.03	6,803.78
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-	-
Total	6,825.10	2,057.96	141.30	28.23	70.03	9,122.62

28 Financial Liabilities – Others

Deferred payment liabilities	820.00	780.00
Employee payables	3,525.08	2,681.93
Capital payables	1,033.43	908.38
Unclaimed fixed deposits and interest accrued thereon*	3.79	6.08
Interest accrued and due on deposits	20.47	19.30
Interest accrued but not due on borrowings	89.76	120.45
	5,492.53	4,516.14

*Investor Education & Protection Fund will be credited as and when due

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

	As at 31.03.2022	As at 31.03.2021
29 Other Current liabilities		
Government and other statutory dues	1,566.95	1,292.86
Advance from customers	337.78	288.71
Other payables	5,187.38	4,150.77
	7,092.11	5,732.34
30 Current Provisions		
Provision for employee benefits		
Gratuity	-	256.13
Leave encashment	81.22	19.26
	81.22	275.39
31 Revenue from Operations		
Sale of products	1,05,108.73	78,026.81
Less : Inter division transfer	(775.07)	(816.72)
	1,04,333.66	77,210.09
Other operating revenues	726.04	648.25
	1,05,059.70	77,858.34
32 Other Income		
Interest income from short-term deposits and loans	1,563.45	1,771.31
Fair value changes in preference shares	-	119.78
Dividend income from long term investments	13.54	-
Profit on sale of short term investments	21.66	30.51
Fair Value gain on mutual fund investments	4.85	14.52
Profit on sale of Property Plant & Equipment	-	2.77
Other non operating income		
Lease rent	1,656.13	1,732.12
Provision for Doubtful debts written back	-	97.60
Others	492.28	346.60
	3,751.91	4,115.21

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

	As at 31.03.2022	As at 31.03.2021
33 Changes in inventory of finished goods and work-in-progress		
Opening stock		
Finished goods	5,778.59	7,508.25
Work-in-progress	939.67	556.42
Stock-in-trade (Engineering and other miscellaneous products)	1,017.69	913.35
	7,735.95	8,978.02
Closing stock		
Finished goods	5,651.67	5,778.59
Work in progress	1,192.79	939.67
Stock-in-trade (Engineering and other miscellaneous products)	2,147.45	1,017.69
	8,991.91	7,735.95
Net (Increase)/Decrease in Stocks	(1,255.96)	1,242.07
34 Employee benefit expenses		
Salaries and Wages	13,102.54	11,929.06
Employees' welfare & other Benefits	713.44	533.92
Contribution to Provident and other Funds	627.35	581.85
	14,443.33	13,044.83
35 Finance costs		
Interest Expenses		
Borrowings	1,330.79	1,659.68
Lease liabilities	119.97	48.56
Premium paid on redemption of preference share capital	363.12	-
Less: Premium received on redemption of Investment in preference shares	(359.62)	-
Other Borrowing Costs	87.82	78.32
Net (Gain) / Loss on Foreign Currency transactions	(65.13)	(104.82)
	1,476.95	1,681.74
36 Depreciation and amortization expenses		
Depreciation on Tangible Assets	4,306.72	4,120.19
Depreciation on Right to use asset	218.67	210.51
Amortization of Intangible assets	37.17	40.60
	4,562.56	4,371.30

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

	As at 31.03.2022	As at 31.03.2021
37 Other expenses		
Power & Fuel	4,055.98	2,730.60
Less : Inter division transfer	(775.07)	(816.72)
	3,280.91	1,913.88
Consumption of stores and Spares	4,365.63	2,990.74
Repairs to Machinery	1,426.05	1,034.99
Repairs to Buildings	567.04	157.42
Rent	127.89	142.65
Rates & taxes	134.60	157.41
Freight & Transportation	3,591.43	2,091.51
Insurance	256.16	241.48
Professional Charges	2,044.03	1,580.03
Corporate Social Responsibility Expenses	220.59	208.19
Warehouse Expenses	1,231.41	1,942.68
Reversal of fair value gain on mutual fund investments	14.52	-
Fair value loss on non current investment	0.35	-
Travelling expenses	1,160.83	786.71
Bad Debts written off	15.79	173.55
Loss on assets sold / scrapped (Net)	1.44	-
Miscellaneous Expenses	3,344.12	2,573.23
	21,782.79	15,994.47

38 Capital commitments (Net of advances) ₹ 4682.08 lacs (Previous year ₹ 2344.28 lacs) and other commitments ₹ 240.00 lacs (Previous year Nil).

39 Contingent liabilities in respect of claims not accepted and not provided for is ₹ 837.97 lacs (Previous year ₹ 660.44 lacs). Details thereof are, Excise duty matters in appeal ₹ 79.25 lacs, Service tax matters in appeal ₹ 31.13 lacs, Sales tax matter in appeal ₹ Nil, Income tax matters in appeal ₹ 189.03 and other matters ₹ 538.56 lacs (Previous year: ₹ 79.25 lacs, ₹ 31.13 lacs, ₹ 46.52 lacs ₹ Nil & ₹ 503.54 lacs respectively).

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

	2021-2022	2020-2021
Revenue expenditure (included in respective revenue accounts)	1,216.20	1,079.19
Capital expenditure (except land and building)	29.99	8.94
Total	1,246.19	1,088.13

NOTES TO THE FINANCIAL STATEMENTS

- 41** Forward contracts for hedging receivables ₹ 3314.40 lacs – USD 42.50 lacs (Previous year ₹ 497.75 lacs – USD 6.50 lacs), ₹ 665.20 lacs – EUR 7.50 lacs (Previous year Nil) . Forward contracts for hedging payables ₹ 819.25 lacs – USD 10.63 lacs (Previous year Nil). Options for hedging payables ₹ 218.55 lacs – USD 2.87 lacs (Previous year Nil). Unhedged Foreign currency exposure:
- (USD) Net receivable ₹ 1315.83 lacs – USD 17.36 lacs, (Previous year net payable ₹ 1093.81 lacs – USD 14.96 lacs),
 - (EURO) Net receivable ₹ 627.71 lacs – Euro 7.45 lacs (Previous Year Net receivable ₹ 727.13 lacs – Euro 8.48 lacs),
 - (GBP) Net receivable ₹ 50.45 lacs – GBP 0.50 lacs (Previous year net receivable ₹ 4.16 lacs – GBP 0.04 lacs).
- 42** The Company has given certain specified Property, plant and equipment on operating lease basis which is cancelable at the option of lessee.
- 43** The details of amounts outstanding under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent of information available with the Company are as under: (i) Principal & Interest amount due and remaining unpaid as at 31.03.2022: Nil (Previous year: Nil), (ii) Payment made beyond the appointed day during the year: Nil (Previous year: Nil) and (iii) Interest Accrued and unpaid as at 31.03.2022: Nil (Previous year: Nil).
- 44** Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act, 2013 read with Schedule III are as below.

	₹ in Lacs	
	2021-2022	2020-2021
Gross amount required to be spent by the Company during the year	218.50	208.00
Amount spent during the year		
Promotion of Education	7.88	3.75
Health Care	63.29	168.66
Livelihood / Skill Development	132.36	34.81
Others	17.06	0.97
Total amount spent by the Company during the year	220.59	208.19

As on 31st March 2022, amount of ₹ Nil (Previous year ₹ Nil) is pending for utilisation by the Company.

- 45** Other receivable includes Nil lacs (Previous year Nil lacs) receivable from related party and Deferred payment liability includes ₹ 2610.43 lacs (Previous year ₹ 3390.43 lacs) payable to related party.
- 46** Deferred payment liabilities represent amount payable against certain property, plant and equipment.
- 47** The Company has not provided diminution in the value of certain long term strategic investments, since in the opinion of the Board, such diminution in their value is temporary in nature, considering the inherent value, nature of investment, the investees assets and expected future cash flow from such investments.

₹ in Lacs	
	2021-2022
2020-2021	
Statutory Auditors	
a) Audit fee	9.00
b) Taxation	1.50
c) Certificates / other services	1.20
d) Reimbursement of expenses	0.48
Total	12.18

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

	2021-2022	2020-2021
49 Earnings per share		
Profit for the year attributable to Equity Shareholders	9,562.61	6,595.75
Weighted average number of Equity Shares for Basic / Diluted EPS	24,83,066	24,83,066
Earnings per share of ₹ 10 each		
- Basic / Diluted	₹ 385.11	265.63

50 Operating Segments

(i) Information about Business Segment		
Company operates in a Single Primary Segment (Business Segment) i.e. Polymer.		
(ii) Secondary Segments (Geographical Segment)		
Revenue		
Within India	83,310.52	66,234.54
Outside India	25,501.09	15,739.01
Total	1,08,811.61	81,973.55

All non current assets of the Company are located in India.

No Customers have revenues exceeding 10% of total revenue.

51 Dividends

The following dividends were declared and paid by the company during the year:		
For the year ended March 31, 2022: ₹ 60 per share	1,489.84	744.92
(₹ 40 per share for FY 2021-22 as Interim dividend and ₹ 20 per share for FY 2020-21)		
(March 31, 2021: ₹ 30 per share as final dividend).		
Total	1,489.84	744.92
The following dividends were proposed by the board of directors in their meeting subject to approval of shareholders at the Annual General Meeting and are not recognised as a liability.		
For the year ended March 31, 2022: ₹ 25 per share	620.77	496.61
(March 31, 2021: ₹ 20 per Share for FY 2020-21)		
Total	620.77	496.61

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

52 The Company has adopted Ind AS 116 “Leases” effective 1st April 2019 as notified by the Ministry of Corporate Affairs (MCA) and applied the Standard to using the simplified approach. This has resulted in recognising right-of-use assets and corresponding lease liabilities.

1. Refer Note 3 for changes in the carrying value of right of use assets for the year ended March 31, 2022.
2. The following is the break-up of current and non-current lease liabilities as at March 31, 2022.

	31.03.2022	31.03.2021
Current Lease liabilities	209.44	97.96
Non-current lease liabilities	1,142.47	335.64
Total	1,351.91	433.60
3. The following is the movement in lease liabilities during the year ended March 31, 2022.		
Balance at the beginning	433.60	521.34
Additions during the year	1,064.52	121.06
Deletions during the year	(0.69)	(7.00)
Finance cost accrued during the period	119.97	48.56
Payment of lease liabilities	(265.49)	(250.36)
Balance at the end	1,351.91	433.60
4. The below table provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:		
Not later than one year	317.09	132.78
Later than one year and not later than five years	907.06	331.20
Later than five years	640.86	81.39
5. The amount recognised in the profit and loss during the year:		
Depreciation on Right to use asset	218.67	210.51
Interest on Lease liabilities	119.97	48.56
	338.64	259.07

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

53 Income Tax

(A) Amounts recognised in Statement of Profit and Loss	31.03.2022	31.03.2021
Current Tax	4,008.50	2,914.80
Deferred Tax		
Relating to origination and reversal of temporary differences	56.75	(90.03)
Income tax expense reported in the Statement of Profit and Loss	4,065.25	2,824.77
(B) Income Tax recognised in Other Comprehensive Income		
Current Income tax on Re-measurement Losses on Defined Benefit Plans	(413.77)	89.11
Total	(413.77)	89.11
(C) Reconciliation of Effective Tax Rate		
Particulars		
Accounting Profit before Income Tax	13,627.86	9,420.52
At applicable Statutory Income tax rate @ 25.168%	3,429.86	2,371.14
In House R&D Expenses Contribution u/s 35(i)(ii)	(7.55)	(2.25)
Exempt Income	-	(0.70)
Deferred Tax related to Property, Plant & Equipment	337.54	405.38
Others	305.40	51.20
Reported Income Tax Expense	4,065.25	2,824.77
Effective Tax Rate	29.83%	29.99%

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

54 Employee Benefits

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

Defined Benefit Plan

Particulars	Leave Encashment (Non Funded)		Gratuity (Funded)	
	2021-2022	2020-2021	2021-2022	2020-2021
I. Change in the Present Value of Obligation				
Present Value of Defined Benefit Obligation at the beginning of the year	613.28	467.55	1,429.27	1,133.42
Current Service Cost	51.41	67.72	135.15	146.13
Past Service Cost	-	-	-	-
Interest Expense or Cost	34.31	25.52	92.47	73.66
Actuarial (gains) / losses on obligation	120.62	241.41	(236.67)	189.02
Benefit Paid	(220.26)	(188.92)	(146.81)	(112.96)
Present Value of Obligation as at the end	599.36	613.28	1,273.41	1,429.27
II. Change in the Fair Value of Plan Asset				
Fair value of Plan Assets at the beginning of the year	-	-	1,173.23	1,057.94
Investment Income	-	-	85.40	76.29
Employer's Contribution	220.26	188.92	256.14	75.58
Benefits Paid	(220.26)	(188.92)	(146.81)	(112.96)
Return on Plan Asset, excluding amount recognised in net interest Expenses	-	-	(36.63)	76.38
Fair value of Plan Assets as at the end	-	-	1,331.23	1,173.23
III. Expenses recognised in the Statement of Profit & Loss*				
Current Service Cost	51.41	67.72	135.15	146.13
Past Service Cost	-	-	-	-
Net Interest Income / (Cost) on the Net Defined Benefit Liability (Asset)	34.31	25.52	92.47	73.66
Expenses recognised in the Income Statement	85.72	93.24	227.62	219.79
IV. Other Comprehensive income				
Actuarial (gain) / loss on defined benefit obligation	120.62	241.41	(236.67)	189.02
Return on Plan Asset, excluding amount recognised in net interest Expenses	-	-	(36.63)	76.38
Components of Defined Benefit Costs recognised in Other Comprehensive Income	120.62	241.41	(200.04)	112.64
V. Actuarial Assumptions				
Discount Rate	7.09%	6.82%	7.09%	6.82%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate			
Salary Escalation	5%	5%	5%	5%

* Included under the head Employee Benefits expense-Refer Note No.34

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

Leave Encashment (Non Funded)

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
Present Value of Defined Benefit Obligation	599.36	613.28	467.55	403.87	323.94
Fair Value of Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(599.36)	(613.28)	(467.55)	(403.87)	(323.94)
Experience adjustment on Plan Liabilities (Gain) / Loss	131.66	240.58	62.23	136.80	159.14
Experience adjustment on Plan Assets (Gain) / Loss	-	-	-	-	-

Gratuity (Funded)

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
Present Value of Defined Benefit Obligation	1,273.41	1,429.27	1,133.42	1,132.84	1,030.45
Fair Value of Plan Assets	1,331.23	1,173.13	1,057.83	1,006.00	932.46
Surplus / (Deficit)	57.82	(256.14)	(75.59)	(126.84)	(97.99)
Experience adjustment on Plan Liabilities (Gain) / Loss	(208.38)	186.85	(121.04)	39.42	(25.65)
Experience adjustment on Plan Assets (Gain) / Loss	(36.63)	76.38	(16.32)	(3.18)	(6.21)

Sensitivity Analysis

Leave Encashment (Non Funded)	March 31, 2022		March 31, 2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	642.23	561.92	657.19	574.89
Salary Growth Rate (- / + 1%)	563.57	639.67	576.68	654.45
Attrition Rate (- / + 1% of attrition rates)	595.25	603.06	610.01	616.24

Gratuity (Funded)	March 31, 2022		March 31, 2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1,388.98	1,173.19	1,548.91	1,324.95
Salary Growth Rate (- / + 1%)	1,177.93	1,381.11	1,329.74	1,540.88
Attrition Rate (- / + 1% of attrition rates)	1,259.41	1,286.36	1,419.64	1,438.22

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

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

Maturity profile of Defined Benefit Obligation

Particulars	Leave Encashment		Gratuity	
	2021-22	2020-21	2021-22	2020-21
Within next 1 year	50.15	36.44	136.96	134.16
Between 2 - 5 years	327.10	335.12	441.07	628.00
More than 5 years	144.35	164.74	384.52	372.97

- The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of assets management, historical results of return on plan assets and the policy for plan assets management.
- The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- Contributions to Pension Fund (trust) during the 12 months ended 31st March, 2022 of ₹ 35.93 lacs (Previous Year: ₹ 41.53 lakhs) has been included under the head Employee Benefits Expense.

Defined Contribution Plans

Employer's Contributions to Provident and other Funds charged off during the 12 months ended 31st March, 2022 of ₹ 449.19 lacs (Previous Year: ₹ 396.82 lakhs) has been included under the head Employee Benefits Expense.

NOTES TO THE FINANCIAL STATEMENTS

55 Related Parties (as certified by the management)

(A) Related Parties

- | | |
|---|--|
| <p>(i) Holding company</p> <p>Bengal & Assam Co. Ltd.</p> | <p>(iii) Associates</p> <p>PSV Energy Pvt. Ltd. (PSVEPL)</p> <p>Dwarkesh Energy Ltd. (DEL)</p> <p>Gram Power Infrastructure Pvt Ltd (GPI)
(w.e.f. 16th July 2021)</p> |
| <p>(ii) Subsidiary companies</p> <p>Southern Spinners and Processors Ltd. (SSPL)</p> <p>Modern Cotton Yarn Spinners Ltd. (MCYSL)</p> <p>Acorn Engineering Ltd. (AEL)</p> <p>Divyashree Company Private Ltd. (DCPL)</p> <p>JKF Americas, Inc. (JKFA)(w.e.f. 23rd June, 2020)</p> | <p>(iv) Fellow subsidiary companies
(With whom Company have transactions during the year)</p> <p>JK Tyre & Industries Limited (JKTIL)</p> <p>JK Agri Genetics Limited (JKAGL)</p> <p>\$Cavendish Industries Limited (Cavendish)
\$(step down fellow subsidiary)</p> |
| <p>(v) Key Management Personnel (KMP)</p> <p>Dr. Raghupati Singhanian</p> <p>Shri Vikrampati Singhanian</p> <p>Shri Nagaraju Srirama</p> <p>Shri Harsh Pati Singhanian</p> <p>Smt. Mamta Singhanian</p> <p>Shri Surendra Malhotra</p> <p>Shri H.V.Lodha</p> <p>Shri Bakul Jain</p> <p>Shri Rahul Chandrakant Kirloskar</p> <p>Shri Amit Agarwal</p> <p>Shri R. Vijayaraghavan</p> | <p>Chairman</p> <p>Managing Director</p> <p>President & Director</p> <p>Non-Executive Non-Independent Director</p> <p>Non-Executive Non-Independent Director</p> <p>Independent Director</p> <p>Non-Executive Non-Independent Director</p> <p>Independent Director</p> <p>Independent Director</p> <p>Chief Financial Officer</p> <p>Company Secretary</p> |
| <p>(vi) Post Employment Benefit Plan entities (Trust)</p> <p>J.K. Fenner Executive Staff Provident Fund</p> <p>J.K. Fenner (India) Ltd Gratuity Fund</p> <p>J.K. Fenner Executive Staff Pension Fund</p> | <p>(vii) Other related parties with which Company has transactions</p> <p>Hari Shankar Singhanian Elastomer and Tyre Research Institute (HASETRI)</p> <p>JK Lakshmi Cement Limited (JKLC)</p> <p>CliniRx Research Private Limited (CliniRx)</p> <p>JK Paper Limited (JKPL)</p> |

NOTES TO THE FINANCIAL STATEMENTS

(B) Transactions conducted with related parties in the ordinary course of business :

₹ in Lacs

Nature of transactions	2021-2022	2020-2021
Holding company		
Inter corporate deposit paid / (refund)	(6,150.00)	(1,850.00)
Interest received	1,060.04	1,358.53
Subsidiary companies		
Purchase of goods from MCYSL & SSPL	3,022.48	2,463.81
Sale of goods to MCYSL, SSPL & JKFA	10,994.90	932.20
Other expenses - MCYSL, SSPL, DCPL & JKFA	264.14	88.15
Fellow Subsidiary companies		
Purchase of goods from JKTIL	-	10.78
Sale of goods to JKTIL & Cavendish	3.13	5.80
Rent received from JKTIL & JKAGL	1,653.61	1,732.78
Interest paid to JKTIL	294.38	388.83
Preference Share Dividend paid to JKTIL	59.58	70.00
Repayment of Deferred payment liabilities - JKTIL	780.00	760.00
Redemption of Preference Shares - JKTIL	2,500.00	-
Premium on redemption of preference shares - JKTIL	363.12	-
Other Expenses - JKTIL & JKAGL	103.89	86.84
Other Income - JKAGL & Cavendish	9.63	47.62
Associates		
Purchase of goods from PSVEPL	56.49	49.85
Other Expenses - PSVEPL	10.66	-
Purchase of shares (GPI)	0.14	-
Other related parties		
Purchases from Clinirx	80.55	-
Other Expenses - HASETRI, JKLC & JKPL	39.40	26.69
Rent and Sharing of expenses received from Clinirx	0.60	30.60
Contribution to Trusts	168.58	239.92
Remuneration paid to Key Managerial Personnel		
Short-term Employee Benefits	2,289.23	1,645.57
Post-employment Benefits*		
Other Payments	63.75	63.22

* As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included above.

	31.03.2022	31.03.2021
(C) Outstanding balances		
Amount receivable / (payable)		
From holding company	11,500.00	17,650.00
To subsidiary companies - SSPL & MCYSL	(175.45)	(188.00)
From subsidiary companies - DCPL* & JKFA	5,979.29	40.52
To Fellow subsidiary companies - JKTIL	(2,608.62)	(3,390.43)
From associates - PSVEPL	(1.76)	0.82
To other related parties - JKLC & JKPL	(18.08)	(2.27)
* includes security deposit of ₹ 36 lacs (previous year ₹ 36 lacs) receivable from DCPL.		

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

56 Financial instruments – Fair values and risk management

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

Particulars	As at 31.03.2022		As at 31.03.2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(i) Financial Assets				
At Amortised cost				
- Trade Receivables	22,284.50	22,284.50	13,012.85	13,012.85
- Loans	11,500.00	11,500.00	17,650.00	17,650.00
- Other financial assets	1,368.01	1,368.01	1,123.37	1,123.37
- Cash & Cash Equivalents	6,183.61	6,183.61	4,318.98	4,318.98
- Other Bank Balances	5,217.99	5,217.99	5,462.06	5,462.06
- Investments	16,315.17	16,315.17	18,815.17	18,815.17
At Fair value through Other Comprehensive Income				
- Other financial assets	4,256.39	4,256.39	2,480.75	2,480.75
- Investments *	111.28	111.28	111.14	111.14
At Fair value through Profit and Loss				
Investments *	1,873.13	1,873.13	2,044.93	2,044.93
Total	69,110.08	69,110.08	65,019.25	65,019.25
(ii) Financial Liabilities				
At Amortised cost				
- Borrowings	22,387.07	22,387.07	23,278.68	23,278.68
- Trade Payables	8,848.86	8,848.86	9,122.62	9,122.62
- Others	11,076.31	11,076.31	9,584.33	9,584.33
Total	42,312.24	42,312.24	41,985.63	41,985.63

* Refer Note No.63

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

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

NOTES TO THE FINANCIAL STATEMENTS

3. Fair value of investments in quoted equity shares are based on quoted market price at the reporting date. The fair value of unquoted Investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities. The fair value of unquoted investments in equity shares are estimated on net assets basis. (Refer Note No.63).
4. Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
5. Fair value of derivatives are calculated using the appropriate variable parameters.

Fair Value Hierarchy

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

“Level 1 – quoted prices in active markets.

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

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

₹ in Lacs

Particulars	Level 1	Level 2	Level 3
March 31, 2022			
Financial Assets:			
- Quoted Equity Shares	4,256.39	-	-
- Unquoted Equity Shares	-	-	111.14
- Unquoted Preference Shares	-	-	5,858.66
- Other funds	-	59.65	-
- Mutual funds	604.82	-	-
March 31, 2021			
Financial Assets:			
- Quoted Equity Shares	2,480.75	-	-
- Unquoted Equity Shares	-	-	111.14
- Unquoted Preference Shares	-	-	8,358.66
- Mutual funds	836.27	-	-

There has been no transfer among levels 1, 2 and 3 during the year ended March 31, 2022.

- 57 The fair value of Investment property transferred from Property, plant & equipment to Investment Property as at 31st March, 2022 is ₹ 447.48 lacs and fair value of Investment trasnsferred from Investment Property to Property, plant & equipment in previous year was ₹ 4005.52 lacs. The fair value is after considering the rental income from current leases and other assumptions that market participants would use while pricing investment property under current market conditions.

NOTES TO THE FINANCIAL STATEMENTS

58 Financial Risk Management Objectives and Policies

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

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

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

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

₹ in Lacs

Currency	Change in currency exchange ratio (bps)	Effect on Profit before tax for the year ended 31.03.2022	Effect on Profit before tax for the year ended 31.03.2021
USD	+25	(4.34)	(3.74)
	-25	4.34	3.74
Euro	+25	(1.86)	2.12
	-25	1.86	(2.12)
GBP	+25	0.13	0.01
	-25	(0.13)	(0.01)

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

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

Particulars	As at 31.03.2022	As at 31.03.2021
Change in Basis Points	+25	+25
Effect on Profit before Tax	(34.85)	(37.39)
Change in Basis Points	-25	-25
Effect on Profit before Tax	34.85	37.39

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

NOTES TO THE FINANCIAL STATEMENTS

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

Credit Risk: Credit risk is the risk that counterparty might not honor its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables).

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

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

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

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

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

₹ in Lacs

Particulars	As at 31.03.2022		As at 31.03.2021	
	Upto 3 years	> 3 years	Upto 3 years	> 3 years
Borrowings	14,594.67	7,792.40	15,481.32	7,797.36
Trade Payables	8,848.86	-	9,122.62	-
Other Financial Liabilities	7,376.10	2,348.30	7,221.69	1,929.04
Total	30,819.63	10,140.70	31,825.63	9,726.40

NOTES TO THE FINANCIAL STATEMENTS

59 Capital Management

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

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

₹ in Lacs

Particulars	As at 31.03.2022	As at 31.03.2021
Borrowings	22,387.07	23,278.68
Less: Cash and cash equivalents	(6,183.61)	(4,318.98)
FDR with original maturity of > 3 months but less than 12 months	(4,602.00)	(4,930.00)
Investments in Mutual Fund	(604.82)	(836.27)
Deposit repayment reserve	(331.42)	(272.21)
Net Debt	10,665.22	12,921.22
Equity Share capital	248.31	248.31
Other Equity	77,241.89	67,727.82
Total Capital	77,490.20	67,976.13
Capital and Net Debt	88,155.42	80,897.35
Gearing Ratio	12.10%	15.97%

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

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

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

Sl. No	Name	Country of Incorporation	Principal Activities	As at 31.03.2022	As at 31.03.2021
1	Southern Spinners and Processors Ltd.	India	Fabric Manufacturing	100.00%	100.00%
2	Modern Cotton Yarn Spinners Ltd.	India	Fabric Manufacturing	100.00%	100.00%
3	Acorn Engineering Ltd.	India	Operating company	100.00%	100.00%
4	Divyashree Company Private Ltd.	India	Investment company	61.00%	61.00%
5	JKF Americas Inc.	USA	Trading	100.00%	100.00%
6	Dwarkesh Energy Ltd.	India	Power generation	27.49%	27.49%
7	Gram Power Infrastructure Pvt Ltd.	India	Manufacturing of Power generation and distribution equipment	26.00%	-
8	PSV Energy Pvt. Ltd.	India	Wind Power generation	26.00%	26.00%

NOTES TO THE FINANCIAL STATEMENTS

61 Disclosure w.r.t analytical ratios

Sl. No.	Ratio	Numerator	Denominator		31.03.2022	31.3.2021	% variance	Reason for variance
1	Current Ratio	Current Assets	Current Liabilities	Times	2.10	1.81	16%	
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	Times	0.29	0.34	-16%	
3	Debt Service Coverage Ratio	PAT+Depreciation/Amortisation +Interest+Loss on sale of PPE+/- IndAS adjustments	Interest + Principal repayments of Current Maturity of Long term borrowings+ Lease payments (due over next one year)	Times	2.45	1.74	41%	Majorly due to improvement in Profitability over previous year
4	Return on Equity	Net Profit after tax	Average Shareholder's Equity	% age	13.1%	10.1%	30%	Majorly due to improvement in Profitability over previous year
5	Inventory Turnover	Net Sales	Average Inventory	Times	7.14	6.63	8%	
6	Trade receivables Turnover	Net Sales	Average trade receivables	Times	5.96	6.36	-6%	
7	Trade payables Turnover	Net purchases	Average Trade payables	Times	5.54	3.90	42%	Due to accelerated payments to vendors
8	Net Capital Turnover	Net Sales	Working Capital	Times	3.25	3.74	-13%	
9	Net Profit ratio	Net Profit after tax	Net Sales	% age	9.1%	8.5%	8%	
10	Return on Capital Employed	EBIT	Capital employed (Tangible Networth+Total Debt+Deferred tax liability)	% age	14.9%	12.0%	24%	

NOTES TO THE FINANCIAL STATEMENTS

₹ in Lacs

	As at 2021-2022	As at 2020-2021
62 Revenue recognised under contracts		
a) The disaggregation of revenue earned under contracts as per Ind AS-115 is as follows :		
Category-wise Revenue recognised at the point of time Polymer Products	1,04,333.66	77,210.09
b) Revenue-related receivables at the year end: Trade receivables (Refer Note no.13)	22,284.50	13,012.85
c) Reconciling the amount of revenue recognised during the year in the statement of profit and loss at the contracted price :		
Revenue as per contracted price (Net of discounts)	1,04,333.66	77,210.09
d) Impairment in Trade receivables are disclosed as 'Allowance for Bad and Doubtful debts' amounting ₹ Nil (Previous year ₹ Nil)		
63 Fair value of investment in certain equity and preference shares are taken at cost since cost represents the best estimate of fair value.		
64 The provision for current tax represents income tax payable computed under substantive provisions of the Income Tax Act, 1961.		
65 (a) The Company had given an unsecured loan to BMF Investment Limited, a erstwhile wholly owned subsidiary company, amalgamated with the Bengal & Assam Co Ltd.,(Holding company) for the purpose of carrying its business at interest of 7% p.a. payable quarterly. Loan outstanding as on 31 st March 2022 ₹ 11500 lacs (Previous Year ₹ 15000 lacs) (b) The Company had given an unsecured loan of ₹ 3000 lacs to Bengal & Assam Company Limited, Holding Company at interest of 9.75% p.a. payable quarterly. Since this loan has been repaid, outstanding of loan as on 31 st March 2022 is Nil (Previous Year ₹ 2650 lacs).		
66 Details of Loans given and investment made for general business purposes, covered u/s 186 (4) of the Companies Act, 2013, have been given under respective heads.		
67 On 31 st January 2022, the Board of Directors of the Company had approved the scheme of amalgamation ('the scheme') of Acorn Engineering Limited ('Acorn' a wholly owned subsidiary) with the Company w.e.f. 1 st April 2022 (appointed date). The scheme is pending for filing with National Company Law Tribunal at Chennai (NCLT-Chennai). Pending approval of scheme by NCLT and other necessary regulatory approvals, no impact of the Scheme has been given in these financial statements.		
68 During the FY 2019-20, raw material amounting to ₹ 825.63 lacs was damaged in fire incident at the custom bonded warehouse. The insurance claim for the said raw material was duly filed with the insurance Companies and amount of ₹ 262.49 lacs has been received from insurance companies during FY 2020-21. The management is confident for recovery of the balance claim amount and same has been shown as good and recoverable.		
69 Certain balances of trade receivable, loan & advance, trade payable and other liabilities are subject to confirmation and/or reconciliation. In the opinion of the management, on confirmation / reconciliation, there will not be any material impact.		
70 Outbreak of Covid-19 has disturbed the economic activity through interruption in manufacturing process, disruption in supply chain, etc. for the Company during the year ended 31 March 2022. The Company, considering internal and external factors known to the management, has made assessment of likely adverse impact on economic environment in general, and financial risk on account of Covid-19 on carrying value of its assets and operations of the Company upto the date of these financial statements. The Company is closely monitoring the impact of this pandemic and believes this pandemic may not have significant adverse impact on the long term operations and performance of the Company.		
71 Previous year figures have been reclassified/regrouped/recast, wherever necessary.		

As per our report of even date

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

N.K. LODHA
Partner

R.VIJAYARAGHAVAN
Company Secretary
New Delhi, the 28th April 2022

RAGHUPATI SINGHANIA
Chairman

VIKRAMPATI SINGHANIA
Managing Director

AMIT AGARWAL
Chief Financial Officer

H.V. LODHA
HARSH PATI SINGHANIA
SURENDRA MALHOTRA
NAGARAJU SRIRAMA
Directors

New Delhi, the 28th April 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

₹ in Lacs

Particulars	2021-2022	2020-2021
A Cash flow from operating activities		
Net profit before tax	13,627.86	9,420.52
Adjustments for :		
Depreciation and amortization expenses	4,562.56	4,371.30
Finance cost	1,476.95	1,681.74
Interest income	(1,563.45)	(1,771.31)
Remeasurement on defined benefit plans charged to OCI	79.43	(354.05)
Fair value changes in non-current Investment	0.35	(119.78)
Amortisation of deferred power expenses	-	43.49
Provision for doubtful debts written back	-	(97.60)
Bad debts written off	15.79	173.55
Profit on sale of short term investments	(21.66)	(30.51)
Fair Value (gain)/loss on mutual fund investments	9.67	(14.52)
(Profit) / Loss on sale of Property Plant & Equipment (Net)	1.44	(2.77)
Dividend received	(13.54)	-
Operating profit before working capital changes	18,175.40	13,300.06
(Increase)/decrease in inventories	(5,607.61)	(316.60)
(Increase)/decrease in trade and other receivables	(10,718.62)	(762.72)
Increase/(decrease) in trade and other payables	1,300.11	4,573.51
Cash generated from operations	3,149.28	16,794.25
Direct taxes (paid)	(4,094.66)	(2,632.13)
Net Cash from operating activities	(945.38)	14,162.12
B Cash flow from Investing Activities		
Purchase of Property, Plant and Equipment	(3,633.43)	(4,182.69)
Sale of Property, Plant and Equipment	36.22	51.39
(Purchase) / Sale of investment	161.64	(822.48)
Redemption of Cumulative redeemable pref. shares	2,500.00	-
Loan (given) / refund	6,150.00	1,920.00
Interest received (Net)	1,412.94	1,704.78
Deposit accounts with Banks	244.07	(4,750.01)
Profit on sale of short term investments	21.66	30.51
Dividend received	13.54	-
Net Cash used in investing activities	6,906.64	(6,048.50)
C Cash flow from financing activities		
Redemption of Cumulative redeemable pref. shares	(2,500.00)	-
Proceeds of Long term borrowings	3,571.09	2,167.98
Repayment of Long term borrowings	(3,020.96)	(833.20)
Interest paid (Net)	(1,424.34)	(1,408.19)
Proceeds / (utilisation) from Short term borrowings (Net)	2,482.76	(5,918.42)
Receipts / (payments of Fixed deposits)	(1,449.85)	(475.85)
Payment of Lease liabilities	(265.49)	(250.36)
Dividend paid	(1,489.84)	(744.92)
Net cash used in financing activities	(4,096.63)	(7,462.96)
Net increase / (decrease) in cash and cash equivalents	1,864.63	650.66
Cash and cash equivalents as at the beginning of the year	4,318.98	3,668.32
Cash and cash equivalents as at the end of the year	6,183.61	4,318.98

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

₹ in Lacs

Note :

2021-2022

2020-2021

1) Figures in brackets are outflows.

2) Cash and cash equivalents comprise of :

(a) Cash on hand	7.56	2.58
(b) Balances with banks		
i) Current accounts	576.05	626.40
ii) Deposits	5,600.00	3,690.00
Total cash and cash equivalents	6,183.61	4,318.98

3) Non Cash changes in liabilities arising from financing activities :

Particulars	Non- Cash Changes				
	As at 01.04.2021	Cash Flows	Foreign exchange movement	Others	As at 31.03.2022
Short-term Borrowings - Current year	1,570.90	2,482.76	(6.77)		4,046.89
- Previous year	7,492.07	(5,918.42)	(2.75)		1,570.90
Long-term Borrowings - Current year	21,707.78	(3,399.72)	27.76	4.36	18,340.18
- Previous year	20,732.18	803.03	179.10	(6.53)	21,707.78
Total liabilities from financing activities	23,278.68	(916.96)	20.99	4.36	22,387.07
Previous Year	28,224.25	(5,115.39)	176.35	(6.53)	23,278.68

As per our report of even date

RAGHUPATI SINGHANIA
Chairman

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

VIKRAMPATI SINGHANIA
Managing Director

N.K. LODHA
Partner

R.VIJAYARAGHAVAN
Company Secretary
New Delhi, the 28th April 2022

AMIT AGARWAL
Chief Financial Officer

H.V. LODHA
HARSH PATI SINGHANIA
SURENDRA MALHOTRA
NAGARAJU SRIRAMA
Directors

New Delhi, the 28th April 2022

AROUND THE YEAR



Auto Expo - North East



Rice & Grain Pro-Tech Expo-Raipur



Green Vehicle Expo - Bangalore



Automechanika - Dubai

FOR THE SOCIETY



Cancer Awareness



Livelihood Creation - Tailoring



General Health Camp



Battery Vehicle - Rameswaram



Computer skill training



J.K. Fenner (India) Limited

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**LODHA
& CO**

Chartered Accountants

12, Bhagat Singh Marg, New Delhi - 110 001, India
 Telephone : 91 11 23710176 / 23710177 / 23364671 / 2414
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 E-mail : delhi@lodhaco.com

Independent Auditor's Review Report

To
 Board of Directors
 J.K. Fenner (India) Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of M/s. J.K. Fenner (India) Limited ("the Company") for the quarter and half year ended 30th September 2022 ("the Statement"). This Statement, which is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder (as amended) and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, - 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the standalone financial results are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with the applicable Accounting Standards i.e. Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed or that it contains any material misstatement.
4. This Report is being issued on an understanding that the quarterly and half yearly financial results are not required to be published under any statute being the results of an Unlisted Company and are for the limited purpose of consolidation with the Holding Company.

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


(N.K. Lodha)
 Partner

Membership No: 085155

UDIN: 22085155BBDCN06808

Place: New Delhi

Date: October 21, 2022



J.K. FENNER (INDIA) LIMITED

REGD. OFFICE : 3, MADURAI-MELAKKAL ROAD, MADURAI 625 016, Fax No. 0452-4283831
 CORP OFFICE : KHIVRAJ COMPLEX, 5th FLOOR, 480, ANNA SALAI, NANDANAM, CHENNAI 600 035
 Website : www.jkfenner.com, E-mail : companysecretary@jkfenner.com
 Fax No. 91-044-2432 0193, CIN : U24231TN1992PLC062306

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2022

₹ in Lacs

SL. NO.	PARTICULARS	Three Months Ended	Preceding Three Mths Ended	Corresp. Three Mths Ended	Half year ended		Year Ended
		30.09.22	30.08.22	30.09.21	30.09.22	30.09.21	31.03.2022
		Unaudited	Unaudited	Unaudited	Unaudited		Audited
1	Revenue from Operations	29,206.55	32,850.37	28,771.44	62,056.92	52,410.34	105,059.70
2	Other Income	759.81	732.13	917.68	1,491.94	1,801.62	3,751.91
3	Total Income (1 + 2)	29,966.36	33,582.50	29,689.12	63,548.86	54,211.96	108,811.61
4	Expenses:						
	a) Cost of Materials Consumed	13,377.11	14,635.18	11,205.77	28,012.29	21,045.51	46,513.57
	b) Purchase of Stock-in-Trade	2,005.62	2,409.32	2,161.43	4,414.94	3,470.87	7,660.51
	c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	405.96	748.46	1,083.32	1,154.42	1,069.64	(1,255.96)
	d) Employee Benefit Expense	4,440.05	4,343.20	3,762.43	8,783.25	7,259.75	14,443.33
	e) Finance Costs	341.85	375.96	326.54	717.81	704.44	1,476.95
	f) Depreciation and Amortisation Expenses	1,171.39	1,167.44	1,092.04	2,338.83	2,228.09	4,562.56
	g) Other Expenses	5,718.88	6,141.90	4,907.81	11,860.78	9,804.70	21,782.79
	Total Expenses	27,460.86	29,821.46	24,539.34	57,282.32	45,583.00	95,183.75
5	Profit / (Loss) before Exceptional Items and Tax (3-4)	2,505.50	3,761.04	5,149.78	6,266.54	8,628.96	13,627.86
6	Exceptional Items	-	-	-	-	-	-
7	Profit / (Loss) before Tax (5-6)	2,505.50	3,761.04	5,149.78	6,266.54	8,628.96	13,627.86
8	Tax Expense:						
	Current Tax	772.40	1,130.70	1,465.40	1,903.10	2,451.90	4,008.50
	Deferred Tax	36.19	(43.53)	(30.38)	(7.34)	(194.69)	56.75
	Total Tax (8)	808.59	1,087.17	1,435.02	1,895.76	2,257.21	4,065.25
9	Net Profit / (Loss) after Tax (7-8)	1,696.91	2,673.87	3,714.76	4,370.78	6,371.75	9,562.61
10	Other Comprehensive Income / (Loss) (net of tax)	822.66	395.33	961.64	1,217.99	1,246.20	1,441.30
11	Total Comprehensive Income (9+10)	2,519.57	3,069.20	4,676.40	5,588.77	7,617.95	11,003.91
12	Paid-up Equity Share Capital (Face value ₹ 10)	248.31	248.31	248.31	248.31	248.31	248.31
13	Other Equity	-	-	-	-	-	77,241.89
14	Earnings per Share (₹) - (not Annualized)						
	- Basic / Diluted	68.34	107.68	149.60	176.02	256.61	385.11

- The above unaudited financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- On 31st January 2022, the Board of Directors of the Company had approved the scheme of amalgamation ("the scheme") of Acorn Engineering Limited ('Acorn' a wholly owned subsidiary) with the Company w.e.f. 1st April 2022 (appointed date). The scheme is filed with National Company Law Tribunal at Chennai (NCLT-Chennai) on 20th August 2022. Pending approval of scheme by NCLT and other necessary regulatory approvals, no impact of the Scheme has been given in these financial results.
- Subsequent to the Balance Sheet date, Wholly-owned subsidiary "JKF Evolve Limited" has been incorporated on 3rd October 2022. The Company has subscribed to the Memorandum of Association of JKF Evolve Limited and invested Rs.5 Lacs in 50,000 fully paid up equity shares of Rs.10 each.
- The above unaudited financial results for the quarter and half year ended ended 30th September, 2022 have been reviewed by Audit Committee and then approved by the Board of Directors at their respective meetings held on the 21st October 2022.

For and on behalf of the Board

Place : New Delhi
 Date : 21.10.2022



[Signature]
 President & Director

Balance Sheet as at 30th September, 2022

₹ in Lacs

	As at 30.09.2022	As at 31.03.2022
	Unaudited	Audited
ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	27,627.92	29,010.25
(b) Right to use assets	1,143.27	1,240.75
(c) Capital Work-In-Progress	7,160.23	2,889.64
(d) Investment Property	28.40	28.68
(e) Intangible Assets	136.63	127.84
(f) Intangible Assets under Development	18.27	-
(g) Financial Assets		
i) Investments	17,937.14	17,694.76
ii) Loans receivable	9,000.00	11,500.00
iii) Other financial assets	6,008.39	4,656.77
(h) Other Non-Current Assets	1,017.61	998.14
	<u>70,077.86</u>	<u>68,146.83</u>
(2) Current Assets		
(a) Inventories	18,424.32	17,529.19
(c) Financial Assets		
i) Investments	3,521.57	604.82
ii) Trade Receivables	27,085.83	22,284.50
iii) Cash and cash equivalents	565.96	6,183.61
iv) Other bank balances	3,240.81	5,217.99
v) Loans receivable	-	-
vi) Other financial assets	1,971.01	967.63
(c) Current tax assets (net)	4,094.87	4,268.43
(d) Other Current Assets	6,560.36	4,814.75
	<u>65,464.73</u>	<u>61,870.92</u>
Total Assets	135,542.59	130,017.75
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share Capital	248.31	248.31
(b) Other Equity	82,209.89	77,241.89
	<u>82,458.20</u>	<u>77,490.20</u>
Liabilities		
(1) Non-Current Liabilities		
(a) Financial Liabilities		
i) Borrowings	13,311.46	14,600.08
ia) Lease liabilities	1,101.41	1,142.47
ii) Other financial liabilities	4,637.45	4,231.87
(b) Provisions	591.61	518.14
(c) Deferred tax liabilities (Net)	2,002.96	1,846.80
(d) Other Non-Current Liabilities	661.34	677.04
	<u>22,306.23</u>	<u>23,016.40</u>
(2) Current Liabilities		
(a) Financial Liabilities		
i) Borrowings	6,608.73	7,786.99
ia) Lease liabilities	171.23	209.44
ii) Trade payables		
Micro and Small Enterprises	3,115.38	3,079.10
Others	6,319.44	5,769.76
iii) Other financial liabilities	6,224.60	5,492.53
(b) Other Current Liabilities	8,187.31	7,092.11
(c) Provisions	151.47	81.22
	<u>30,778.16</u>	<u>29,511.15</u>
Total Equity and Liabilities	135,542.59	130,017.75

Place : New Delhi
Date : 21.10.2022



For and on behalf of the Board

[Signature]
President & Director

Statement of Cash Flows

₹ in Lacs

Particulars	For the period from April 1 2022 to September 30, 2022	For the period from April 1 2021 to March 31, 2022
	Unaudited	Audited
A Cash flow from operating activities		
Net profit before tax	6,266.54	13,627.86
Adjustments for :		
Depreciation and amortization expenses	2,338.83	4,562.56
Finance cost	717.81	1,476.95
Interest income	(520.88)	(1,563.45)
Remeasurement on defined benefit plans charged to OCI	39.71	79.43
Fair value changes in non-current Investment	(2.37)	0.35
Amortisation of deferred power expenses	-	-
Provision for doubtful debts	12.37	-
Bad debts written off	-	15.79
Profit on sale of short term investments	(16.16)	(21.66)
Fair Value (gain)/loss on mutual fund investments	(12.63)	9.67
(Profit) / Loss on sale of Property Plant & Equipment (Net)	0.61	1.44
Dividend received	(27.09)	(13.54)
Operating profit before working capital changes	8,796.76	18,175.40
(Increase)/decrease in inventories	(895.13)	(5,607.61)
(Increase)/decrease in trade and other receivables	(7,671.63)	(10,718.62)
Increase/(decrease) in trade and other payables	2,360.86	1,300.11
Cash generated from operations	2,590.86	3,149.28
Direct taxes (paid)	(1,729.54)	(4,094.66)
Net Cash from operating activities	861.32	(945.38)
B Cash flow from Investing Activities		
Purchase of Property, Plant and Equipment	(5,018.08)	(3,633.43)
Sale of Property, Plant and Equipment	-	36.22
(Purchase) / Sale of investment	(3,144.13)	161.64
Redemption of Cumulative redeemable pref. shares	-	2,500.00
Loan (given) / refund	2,500.00	6,150.00
Interest received (Net)	622.99	1,412.94
Deposit accounts with Banks	1,977.18	244.07
Profit on sale of short term investments	16.16	21.66
Dividend received	27.09	13.54
Net Cash used in investing activities	(3,018.79)	6,906.64
C Cash flow from financing activities		
Redemption of Cumulative redeemable pref. shares	-	(2,500.00)
Proceeds of Long term borrowings	759.13	3,571.09
Repayment of Long term borrowings	(2,093.69)	(3,020.96)
Interest paid (Net)	(516.05)	(1,424.34)
Proceeds / (utilisation) from Short term borrowings (Net)	(233.31)	2,482.76
Receipts / (payments) of Fixed deposits	(601.40)	(1,449.85)
Payment of Lease liabilities	(154.09)	(265.49)
Dividend paid	(620.77)	(1,489.84)
Net cash used in financing activities	(3,460.18)	(4,096.63)
Net increase / (decrease) in cash and cash equivalents	(5,617.65)	1,864.63
Cash and cash equivalents as at the beginning of the year	6,183.61	4,318.98
Cash and cash equivalents as at the end of the year	565.96	6,183.61
Note :		
1) Figures in brackets are outflows.		
2) Cash and cash equivalents comprise of :		
(a) Cash on hand	1.60	7.56
(b) Balances with banks		
i) Current accounts	564.36	576.05
ii) Deposits	-	5,600.00
Total cash and cash equivalents	565.96	6,183.61

Place : New Delhi
Date : 21.10.2022



For and on behalf of the Board

[Signature]
President & Director

ANNEXURE 9

Proxy Form

J.K. FENNER (INDIA) LIMITED

Registered Office : 3, Madurai-Melakkal Road, Madurai 625016, Tamil Nadu.

CIN:U24231TN1992PLC062306

Phone : 0452-4283800 Fax : 0452-4283808, Email : vijayaraghavan@jkfenner.com

Website : www.jkfenner.com

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

BENCH AT CHENNAI

CA (CAA) NO. 66/(CHE)/2022

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 to 232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of J.K. Fenner (India) Limited;

And

In the matter of Scheme of Amalgamation amongst Acorn Engineering Limited and

J.K. Fenner (India) Limited and their respective Shareholders and Creditors;

J.K. Fenner (India) Limited)

(CIN:U24231TN1992PLC062306, PAN:AAACJ7230N),)

a company incorporated under the provisions of the)

Companies Act, 1956 and having its registered office at)

3, Madurai-Melakkal Road, Madurai 625016, Tamil Nadu.)

...Applicant Company

EQUITY SHAREHOLDERS

FORM OF PROXY

[As per Form MGT -11 and pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :

Registered Address :

E – mail ID :

Folio No. or DP Id #/ Client-Id# :

I / We, being the member (s) of _____ equity shares of the above named Applicant Company, hereby appoint:

1. Name:

Address:

E-mail ID:

Signature:

or failing him;

2. Name:

Address:

E-mail ID:

Signature:

or failing him;

3. Name:

Address:

E-mail ID:

Signature:

as my/our proxy, to act for me/us at the meeting of the Equity Shareholders of the Applicant Company to be held at 3, Madurai-Melakkal Road, Madurai 625016, Tamil Nadu, on Wednesday, 18th January 2023 at 11.30 am for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Amalgamation amongst Acorn Engineering Limited and J.K Fenner (India) Limited and their respective Shareholders and Creditors (the "Scheme") and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here, if 'for', insert 'FOR', if 'against', insert 'AGAINST', and in the latter case, strike out the words below after 'the Scheme') the said arrangement embodied in the Scheme, either with or without modification(s)*, as my/our proxy may approve.

(*Strike out whatever is not applicable)

Signed this _____ day of _____ 2023.

Affix
revenue
stamp of
Re.1/-

Signature of Shareholder(s) :

Signature of Proxy Holder(s) :

(Signature across the stamp)

Notes:

1. The form of proxy must be deposited at the registered office of J.K. FENNER (INDIA) LIMITED, 3, Madurai-Melakkal Road, Madurai 625016, Tamil Nadu at least 48 (forty-eight) hours before the scheduled time of the commencement of the said meeting.
2. All alterations made in the form of proxy should be initialled.
3. Please affix appropriate revenue stamp before putting signature.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be a shareholder of J.K. Fenner (India) Limited.
6. No person shall be appointed as a proxy who is a minor.
7. The proxy of a shareholder, blind or person incapable of writing, would be accepted if such shareholder has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address: provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the shareholder before he attached his signature or mark.
8. The proxy of a shareholder who does not know English would be accepted if it is executed in the manner prescribed in point no. 7 above and the witness certifies that it was explained to the shareholder in the language known to him and gives the shareholder's name in English below the signature.

ANNEXURE 10

**LODHA
& CO**

Chartered Accountants

12, Bhagat Singh Marg, New Delhi - 110 001, India
Telephone : 91 11 23710176 / 23710177 / 23364671 / 2414
Fax : 91 11 23345168 / 23314309
E-mail : delhi@lodhaco.com

To,
The Board of Directors,
J.K. Fenner (India) Limited
3, Madurai- Melakkal Road, Kochadai,
Madurai- 625016

Sub: Certificate on accounting treatment included in the proposed Scheme of Amalgamation in accordance with the provisions of Companies Act, 2013.

1. We, Lodha & Co, Chartered Accountants, the Statutory Auditors of J.K. Fenner (India) Limited (hereinafter referred to as "the Company" or "Amalgamated Company") have been requested to examine the accounting treatment specified in the draft Scheme of Amalgamation (the "Proposed Scheme") between the Company and Acorn Engineering Limited ("Acorn" or "Amalgamating Company") and their respective shareholders and creditors, (Proposed Scheme) in conformity with the provisions of Section 230 to 232 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 along with other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules and Regulations made thereunder, with reference to its compliance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rule, 2015 and other generally accepted accounting principles in India ("applicable accounting standards"). This certificate is issued in accordance with the terms of our engagement letter dated March 22, 2022.
2. The Proposed Scheme is subject to approval of the respective Shareholders and Creditors of the Amalgamated Company, Amalgamating Company, National Company Law Tribunal and Statutory and Regulatory Authorities, as applicable.
3. The Proposed Scheme has been approved by the Board of Directors of the Amalgamated Company at its meeting held on January 31, 2022.

Management's responsibility

4. The responsibility for the preparation of the Proposed Scheme and its compliance with the relevant laws and regulations, including the applicable accounting standards, is that of the Board of Directors of the companies involved, which includes collecting, collating and validating data and designing, implementing and maintenance of internal controls relevant for the preparation and presentation of the Proposed Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. Management of the Amalgamated Company is also responsible for ensuring that the Company complies with the requirements of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and for providing all relevant information to the National Company Law Tribunal ("NCLT"), Chennai Bench.



Kolkata Mumbai New Delhi Chennai Hyderabad Jaipur

Auditor's Responsibility

6. Our responsibility, for the purpose of this Certificate, is limited to certifying whether the accounting treatment as contained in the Clause 4.3 of Part IV (Page 22 to 24 of Annexure I) in relation to the Amalgamated Company, of the Proposed Scheme is in compliance with Indian Accounting Standard (Ind AS) 103 – Business Combinations as notified under Section 133 of the Companies Act, 2013. Our opinion is only w.r.t. and restricted with accounting treatment, hence we are not offering any comment on other Parts/ Sections of the Scheme. Nothing contained in this certificate, nor anything said or done in the course of, or in connection with the services that are subject to this certificate, will extend any duty of care that we may have in our capacity of the statutory auditors to any financial statements of the Company.
7. We concluded our examination of the Scheme in accordance with the Guidance Note on Reports or Certificates for Special Purposes (revised) issued by the Institute of Chartered Accountants of India. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.
9. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria. Accordingly, we have performed the following procedures in relation to the Certificate:
 - A. Read the Proposed Scheme and the accounting treatment specified therein.
 - B. Noted that the accounting treatment contained in the aforesaid Proposed Scheme is in compliance with all the applicable Indian Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015.

Opinion

10. Based on our examination of the Proposed Scheme and according to the information and explanations given to us, we certify that the accounting treatment as specified in Clause 4.3 of Part IV (Page No. 22 to 24 of Annexure I) in relation to the Amalgamated Company, of the Proposed Scheme dealing with the accounting treatment in the books of Transferee Company is in compliance with the Indian Accounting Standard (Ind AS) 103 – Business Combinations as notified under Section 133 of the Companies Act, 2013 and other generally accepted accounting principles in India.



Restriction on use

11. This certificate is issued at the request of the Company's management solely for the purpose of submission to NCLT-Chennai Bench, in accordance with the requirement of Section 230 to 232 and other applicable provisions of the Act and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. Accordingly, this certificate may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assumes any liability or any duty of care for any other purpose or to any other to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

FOR LODHA & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 301051E



(N K LODHA)

PARTNER

MEMBERSHIP NO. 085155

UDIN: 22085155A66LLB4731

PLACE: NEW DELHI

DATE: March 29, 2022



J.K. FENNER (INDIA) LIMITED

Registered Office : 3, Madurai-Melakkal Road, Madurai 625016, Tamil Nadu.

[CIN:U24231TN1992PLC062306]

Phone : 0452-4283800, Fax : 0452-4283808, Email : vijayaraghavan@jkenner.com, Website : www.jkenner.com

EQUITY SHAREHOLDERS

ATTENDANCE SLIP

MEETING OF

THE EQUITY SHAREHOLDERS OF J.K. FENNER (INDIA) LIMITED

HELD ON WEDNESDAY, 18TH JANUARY 2023 AT 11.30 AM

I/We hereby record my/our presence at the meeting of the Equity Shareholders of J.K. Fenner (India) Limited, the Applicant Company, convened pursuant to the order dated 4th November 2022 read with order dated 7th December, 2022 of the National Company Law Tribunal Bench at Chennai at 3, Madurai-Melakkal Road, Madurai 625016, Tamil Nadu, India, on Wednesday, 18th January 2023 at 11.30 AM.

Name and address of Equity Shareholder

(IN BLOCK LETTERS) :

Signature :

Folio No. or DP Id #/ Client-Id# :

No. of Shares :

Name of the Proxy*
(IN BLOCK LETTERS) :

Signature :

*(To be filled in by the Proxy in case he/she attends instead of the shareholder)

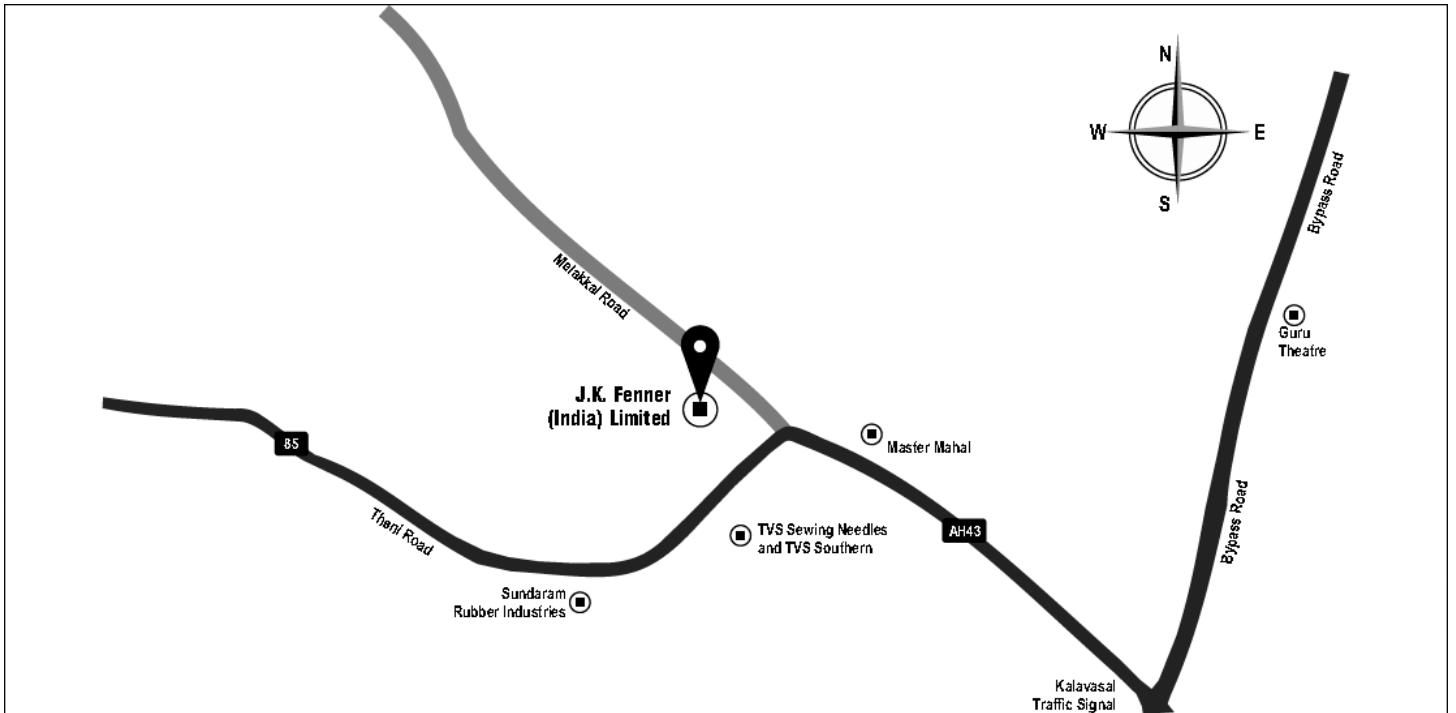
Notes:

1. Equity Shareholders attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
2. Equity Shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of J.K. Fenner (India) Limited in respect of such joint holding will be entitled to vote.

J.K. FENNER (INDIA) LIMITED

Route map to the venue of the Tribunal convened Meeting

3, Madurai-Melakkal Road, Kochadai, Madurai – 625 016



[illegible]